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MESDAG (Charlie) B.V.

(incorporated as a private company with limited liability under the laws of the Netherlands (registered number 34259061)

€493,650,000 Commercial Mortgage Backed Floating Rate Notes 2007 Due 2019

Issue price 100 per cent.

MESDAG (Charlie) B.V. (the **Issuer**) will issue the €355,000,000 Class A Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class A Notes**), the €50,000 Class X Commercial Mortgage Backed Floating Rate Note 2007 due 2019 (the **Class X Note**), the €44,700,000 Class B Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class B Notes**), the €44,700,000 Class C Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class C Notes**), the €39,400,000 Class D Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class D Notes**) and the €9,800,000 Class E Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class E Notes**), and, together with the Class A Notes, the Class X Note, the Class B Notes, the Class C Notes and the Class D Notes, (the **Notes**) 19 April 2007 (or such later date as the Issuer may agree with the Originator and the Bookrunners) (the **Closing Date**).

Application has been made to the Irish Financial Services Regulatory Authority (**IFSRA**) as competent authority under Directive 2003/71/EC (the **Prospectus Directive**) for this Offering Circular to be approved. Application has also been made to the Irish Stock Exchange Limited (the **Irish Stock Exchange**) for the Notes (other than the Class X Note) to be admitted to the Official List and trading on its regulated market. This Offering Circular constitutes a prospectus (a **Prospectus**) for the purposes of Article 5 of the Prospectus Directive. Reference throughout the document to "Offering Circular" shall be taken to read "Prospectus".IFSRA approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 93/22/EEC or which are to be offered to the public in any Member State of the European Economic Area.The Notes are expected, on issue, to be assigned the relevant ratings set out opposite the relevant Class in the table below by Fitch Ratings Ltd. (**Fitch**), by Moody's Investors Service Limited (**Moody's**) and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (**S&P** and, together with Fitch and Moody's, the **Rating Agencies**). **A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by one or more of the assigning rating organisations.** The ratings from the Rating Agencies only address the likelihood of timely receipt by any Noteholder of interest on the Notes and the likelihood of receipt by any Noteholder of principal of the Notes by the Notes Maturity Date.Interest on the Notes will be payable quarterly in arrear in euro on 25 January, April, July and October in each year (subject to adjustment for non-business days). The first Notes Interest Payment Date will be the Notes Interest Payment Date falling in July 2007. The interest rate applicable to each Class of Notes (other than the Class X Note) from time to time will be determined by reference to the euro interbank offered rate for three month euro deposits (**EURIBOR**, as determined in accordance with Condition 5.3) (other than for the first interest period in respect of the Notes, in respect of which the interest rate will be an interpolated rate determined by reference to the euro interbank offered rates for three and four month euro deposits) plus the relevant Margin. Each Margin will be as set out in the table below:

Class	*Initial Principal Amount*	*Margin (per cent.)*	*Ratings*		
			Fitch	*Moody's*	*S&P*
Class A	**€355,000,000**	**0.17%**	**AAA**	**Aaa**	**AAA**
Class X	**€50,000**	**N/A***	**AAA**	**N/R**	**AAA**
Class B	**€44,700,000**	**0.23%**	**AA**	**Aa2**	**AA**
Class C	**€44,700,000**	**0.39%**	**A**	**A2**	**A**
Class D	**€39,400,000**	**0.72%**	**BBB**	**Baa3**	**BBB**
Class E	**€9,800,000**	**0.95%**	**BBB-**	**N/R**	**BBB-**

* The Class X Note will bear interest at a variable rate as set out in Condition 5.3 (Rates of Interest).

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

All Notes will be secured by the same security, subject to the priorities described in this Offering Circular. Notes of each Class will rank *pari passu* with other Notes of the same Class. Unless previously redeemed in full, the Notes of each Class will mature on the Notes Interest Payment Date falling in October 2019 (the **Notes Maturity Date**). The Notes will be subject to mandatory and/or optional redemption before such date in the specific circumstances and subject to the conditions more fully set out under *Transaction Summary – Principal features of the Notes*.The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and are subject to U.S. tax law requirements. The Notes are being offered by the Issuer only to persons who are not U.S. Persons (as defined in Regulation S under the Securities Act (**Regulation S**)) in offshore transactions in reliance on Regulation S (or otherwise pursuant to transactions exempt from the registration requirements of the Securities Act) and in accordance with applicable laws.

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

The Notes will be governed by Dutch law.

Capitalised terms contained in this Offering Circular and defined herein have the meaning given to them on the page indicated in the *Index of Defined Terms*.

See *Risk Factors* for a discussion of certain factors which should be considered by prospective investors in connection with an investment in any of the Notes.An investment in the Notes is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

NIBC Bank N.V. as Arranger

NIBC Bank N.V. and Société Générale Corporate & Investment Banking as Bookrunners

The date of this Offering Circular is 19 April 2007

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, NIBC Bank N.V. (NIBC) or any associated body of NIBC, or of or by the Bookrunners, the Originator, the Servicer, the Special Servicer, the Note Trustee, the Director of the Issuer, the Trustee Director, the Paying Agents, the Calculation Agent, the Liquidity Facility Provider, the Issuer Account Bank, the Borrower Swap Counterparties, the Borrower Swap Guarantor, the Issuer Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Issuer Swap Guarantor, the Back-Up Issuer Swap Counterparty or any of their respective affiliates or shareholders 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.

The Issuer is not regulated by IFSRA by virtue of the issue of the Notes. An investment in the Notes does not have the status of a deposit and is not within the scope of the deposit protection scheme operated by IFSRA.

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 there are no other facts, the omission of which would, in the context of the issue of the Notes, make any statements herein, whether of fact or opinion, misleading in any material respect. The Issuer accepts responsibility accordingly.

No person is or has been authorised to give any information or to make any representation in connection with the issue and sale of the Notes other than those contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, NIBC or any associated body of NIBC, or of or by the Bookrunners, the Originator, the Servicer, the Special Servicer, the Note Trustee, the Director of the Issuer, the Trustee Director, the Paying Agents, the Calculation Agent, the Liquidity Facility Provider, the Issuer Account Bank, the Borrower Swap Counterparties, the Borrower Swap Guarantor, the Issuer Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Issuer Swap Guarantor, the Back-Up Issuer Swap Counterparty or any of their respective affiliates or shareholders. Neither the delivery of this Offering Circular nor any sale, allotment or solicitation made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer or in any of the information contained herein since the date of this Offering Circular or that the information contained in this Offering Circular is correct as of any time subsequent to its date. None of the Issuer, the Borrowers nor any other person has an obligation to update this Offering Circular, except if required by the Irish Stock Exchange. Save for obligations of NIBC in its capacity as Servicer, NIBC expressly does not undertake to monitor the Loans or the Properties during the life of the Notes or to advise any investor in the Notes of any information coming to its attention.

Neither this Offering Circular nor any part hereof constitutes an offer or an invitation to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law.

Neither this Offering Circular nor any other information supplied in connection with the Notes should be considered as a recommendation by the Originator or the Bookrunners that any recipient of this Offering Circular should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation and appraisal of the creditworthiness of the Issuer. No representation or warranty is made or implied by the Issuer, NIBC or any associated body of NIBC, or of or by the Bookrunners, the Originator, the Servicer, the Special Servicer, the Note Trustee, the Director of the Issuer, the Trustee Director, the Paying Agents, the Calculation Agent, the Liquidity Facility Provider, the Issuer Account Bank, the Borrower Swap Counterparties, the Borrower Swap Guarantor, the Issuer Swap Counterparty, the Back-

Up Borrower Swap Counterparty, the Issuer Swap Guarantor, the Back-Up Issuer Swap Counterparty or any of their respective affiliates or shareholders, and none of these persons makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular.

Other than the application made to the IFSRA as competent authority under the Prospectus Directive for this Offering Circular to be approved as a Prospectus and the application to the Irish Stock Exchange for the Notes (other than the Class X Note) to be admitted to the Official List and trading on its regulated market, 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 Bookrunners to inform themselves about, and to observe, any such restrictions. Neither this Offering Circular nor any part hereof constitutes an offer of, or an invitation by or on behalf of the Issuer or the Bookrunners 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 *Subscription and Sale.*

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

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Bookrunners (as defined under "*Subscription and Sale*" below). Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or the Bookrunners to subscribe for, or purchase, any of the Notes. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

All references in this Offering Circular to **EUR**, **euro** or **€** are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the treaty establishing the European Community (as amended by the Treaty on European Union).

Any foreign language included in the document is for convenience purposes only and does not form part of the Offering Circular.

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

None of the Issuer, NIBC or any associated body of NIBC, or of or by the Bookrunners, the Originator, the Servicer, the Special Servicer, the Note Trustee, the Director of the Issuer, the Trustee Director, the Paying Agents, the Calculation Agent, the Liquidity Facility Provider, the Issuer Account Bank, the Borrower Swap Counterparties, the Issuer Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Issuer Swap Guarantor, the Back-Up Issuer Swap Counterparty or any of their respective affiliates or shareholders has separately verified the information contained herein, and accordingly none of the Originator, the Bookrunners, the Note Trustee or any of their respective affiliates makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes or their distribution, or the future performance and adequacy of the Notes, and none of them accepts any responsibility or liability therefore. None of the Originator, the Bookrunners, the Note Trustee or any of their respective affiliates undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to their attention.

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PRINCIPAL CHARACTERISTICS OF THE NOTES

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

Notes	**Class A**	**Class X**	**Class B**	**Class C**	**Class D**	**Class E**
Initial Principal Amount	€355,000,000	€50,000	€44,700,000	€44,700,000	€39,400,000	€9,800,000
Issue price	100%	100%	100%	100%	100%	100%
Expected rating - Fitch	AAA	AAA	AA	A	BBB	BBB-
Expected rating - Moody's	Aaa	NR	Aa2	A2	Baa3	NR
Expected rating - S&P	AAA	AAA	AA	A	BBB	BBB-
Expected Maturity Date	25 October 2016	25 October 2016	25 October 2016	25 October 2016	25 October 2016	25 October 2016
Final Maturity Date	25 October 2019	25 October 2019	25 October 2019	25 October 2019	25 October 2019	25 October 2019
Expected Weighted Average Life	6.9	N/A	7.5	7.5	7.5	7.5
Day count	Actual/360					
Business day convention/Business Days	Modified following					
Interest Payment Dates	Quarterly on 25 January, April, July and October					
Form of Notes	Bearer					
Denomination	€100,000 (€50,000 in respect of the Class X Note) integral multiples of €1,000 in excess thereof					
Clearing system	Euroclear and Clearstream, Luxembourg (**Clearing System**)					
Credit enhancement (provided by other Classes of Notes subordinated to the relevant Class)	Subordination of the Class B Notes, the Class C Notes, the Class D Notes, and the Class E Notes	Subordination of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes	Subordination of the Class C Notes, the Class D Notes and the Class E Notes	Subordination of the Class D Notes and the Class E Notes	Subordination of the Class E Notes	
Listing	Irish Stock Exchange					
ISIN	XS0289819889	XS0289830696	XS0289822677	XS0289823568	XS0289824533	XS0289824889
Common Code	028981988	028983069	028982267	028982356	028982453	028982488

TRANSACTION SUMMARY

The following information is a summary of the principal features of the issue of the Notes. This summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular. Prospective purchasers of the Notes are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Offering Circular in making any decision whether or not to invest in any Notes. Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, unless otherwise stated. An index of defined terms is set out at the end of this Offering Circular.

Unless otherwise specified, all calculations and information contained in this Offering Circular is correct as at 31 December 2006 (the Cut-Off Date).

Executive Summary

On the Closing Date, the Issuer will issue the Notes and with the proceeds of such issuance will acquire from NIBC (the **Originator**), (i) all of the Originator's rights and obligations with respect to the Loans in accordance with the terms of the transfer agreements to be entered into between, *inter alios*, the Originator and the Issuer (the **Loan Transfer Agreements**) and (ii) all of the Originator's rights with respect to the Borrower Security Agreements in accordance with the terms of the assignment agreements to be entered into between, *inter alios*, the Originator and the Issuer. Pursuant to the Loan Transfer Agreements, the rights and obligations of the Originator as the initial security and facility agent will also be transferred to the Issuer (i.e. NIBC will resign as security and facility agent and the Issuer will be appointed as security and facility agent in its place (the Issuer in such capacity, the **Agent**)) and as a result the Issuer will hold the security created pursuant to the English Borrower Security Agreements on trust for the Finance Parties, the security created pursuant to the Manx Borrower Security Agreements on trust for the Finance Parties, the security created pursuant to the German Borrower Security Agreements for the benefit of the Finance Parties and the security created pursuant to the Dutch Borrower Security Agreements as the creditor in respect of the parallel debt undertaking contained in the Loan Agreements. See further *Loan Documentation and Security – Loan Transfer Agreements*.

Interest on the Loans will be either (a) in relation to those Loans with Borrower Swap Agreements, payable quarterly in arrear at a floating rate and is calculated by reference to EURIBOR for three month euro deposits plus a margin or (b) in relation to those Loans without Borrower Swap Agreements at a fixed rate. Each Borrower, referred to under (a) above, has entered into and is required, under the terms of the Loan Agreements, to maintain interest rate hedging arrangements with a view to ensuring that it will be able to continue to make payments of interest on the Loans notwithstanding variations in the floating rate of interest payable by it. See further *Borrowers Accounts and Hedging – Borrower Swap Agreements*.

The Issuer will use receipts of principal and interest (other than any prepayment fees) in respect of the Loans, together with certain other funds available to it (as described elsewhere in this Offering Circular) to make payments of, *inter alia*, principal and interest due in respect of the Notes.

The Loan Pool will consist of twenty-one Loans:

1. the Dutch Offices II Loan;

2. the Dutch Offices I Loan;

3. the Sparkasse Loan;

4. the Tommy Loan;

5. the Schiphol Loan;

6. the Berlin Loan;

7. the thirteen TOR Loans;

8. the Derrick Loan; and

9. the NRW Loan;

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

The Loans are made to different borrowers (each a **Borrower** and, together, the **Borrowers** and in respect of each specific Loan, the **Relevant Borrower** or the **Relevant Borrowers**) by way of loan agreements (each a **Loan Agreement**) and, as at the Cut-Off Date the Loans had an aggregate outstanding principal balance of € 493,568,400 and as at the Closing Date is expected to be € 492,783,950. Each Loan is governed by Dutch law other than the TOR Loans which are governed by English law. All of the Loans provide for the Relevant Borrowers to pay a fixed or a floating rate of interest. Each Loan is denominated in euro and constitutes a full recourse obligation of each of the Relevant Borrowers. Each Loan is secured by, among other things, a first ranking legal mortgage or charge over the Properties. The related security granted in respect of each Loan is granted by the Relevant Borrower or, in the case of certain Loans, by one or more entities related to the Relevant Borrower (each, a **Chargor** and, together with the Borrowers, the **Obligors** and each, an **Obligor**). In relation to a Loan, the obligations of the Relevant Borrower may be guaranteed by one or more third parties (each, a **Guarantor** and together, the **Guarantors**). Loans are secured, *inter alia*, on a portfolio of commercial and residential properties in relation to each Loan which are located throughout Germany and in Schiphol, Haarlem, Amersfoort, Ede, Groningen, Rijswijk, Den Bosch and Tilburg in The Netherlands and which are more fully described in *Description of the Properties* below (together the **Properties** and each a **Property**). See further *Loan Documentation and Security - Loan Security* for more details about the Loan Security.

As at the Cut-Off Date, there were a total of 149 properties constituting security for the Loans (the **Portfolio**).

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

Prior to each Calculation Date, the Servicer (acting on the basis of information requested from and provided by the Special Servicer, as necessary) will identify both the amount of Collections and the extent to which such Collections are principal amounts (including any scheduled principal and any principal paid upon final redemption and/or prepayment of a Loan), interest amounts, prepayment fees, costs and other amounts. The Cash Manager (on behalf of the Issuer) will on each Notes Interest Payment Date, after payment of those obligations of the Issuer having a higher priority under the relevant Priority of Payments, apply these

Collections (other than prepayment fees and certain other funds available to the Issuer as described elsewhere in this Offering Circular) in payment of, among other things, interest and principal due on the Notes.

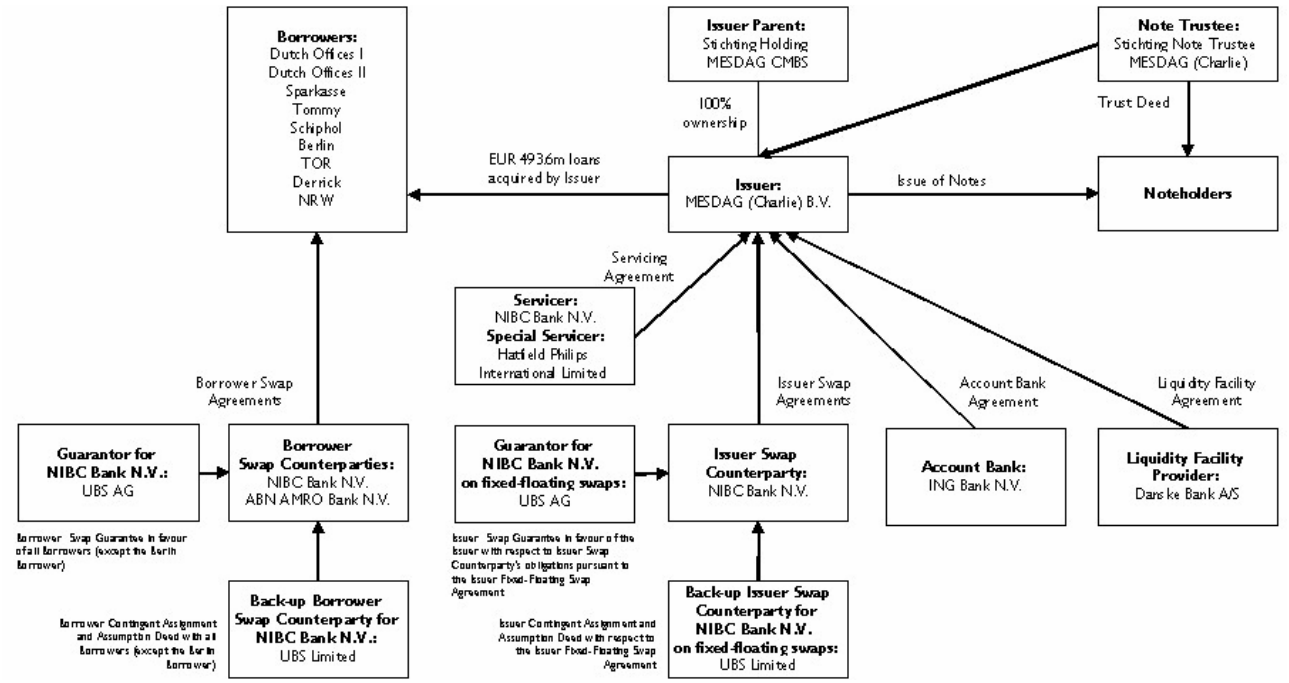
With a view to protecting the Issuer against interest rate mismatches arising as a result of certain Borrowers paying fixed rates of interest on the Loans and the Issuer being required to pay floating rates of interest on the Notes and as a result of different interest periods applicable under the Loans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

As security for its obligations under, *inter alia*, the Notes, the Issuer will grant first ranking security over all its assets and undertakings (which comprises, primarily, its rights in respect of the Loans, the Issuer Swap, the Loan Security and its bank accounts) in favour of the Note Trustee under the Issuer Security Agreements (see further *Issuer Security and Cashflows – Issuer Security*)).

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

Structure diagram

After the Loans have been transferred to the Issuer in accordance with the Loan Transfer Agreements, the structure of the transaction will be as follows:



Key Transaction Parties

Back-Up Borrower Swap Counterparty	UBS Limited, as guaranteed by UBS AG, (in this capacity, the **Back-Up Borrower Swap Counterparty**) will, pursuant to the terms of each contingent assignment and assumption deed agreed on or about the Closing Date by the Back-Up Borrower Swap Counterparty, NIBC as Borrower Swap Counterparty and each of the Borrowers (except for the Berlin Borrower) (each a **Borrower Contingent Assignment and Assumption Deed**, assume the rights and obligations of NIBC as Borrower Swap Counterparty under the relevant Borrower Swap Agreements upon the occurrence of certain specified events. In this Offering Circular, the term **Back-Up Borrower Swap Counterparty** includes any other party appointed from time to time pursuant to act as a Back-Up Borrower Swap Counterparty under the interest rate hedging arrangements in respect of the Loans.
Back-up Issuer Swap Counterparty	UBS Limited, as guaranteed by UBS AG, (in this capacity, the **Back-Up Issuer Swap Counterparty**) will, pursuant to the terms of the contingent assignment and assumption deed agreed on or about the Closing Date by the Back-Up Issuer Swap Counterparty, NIBC as Issuer Swap Counterparty and the Issuer (the **Issuer Contingent Assignment and Assumption Deed**), assume the rights and obligations of NIBC as Issuer Swap Counterparty under the relevant Issuer Swap Agreement upon the occurrence of certain specified events. In this Offering Circular, the term **Back-Up Issuer Swap Counterparty** includes any other party appointed from time to time pursuant to act as a Back-Up Issuer Swap Counterparty under the Issuer Fixed-Floating Swap Agreement.
Bookrunners:	NIBC and Société Générale
Borrower Swap Counterparties:	NIBC in relation to all of the Loans requiring a swap agreement except for the Berlin Loan and ABN AMRO Bank N.V. in respect of the Berlin Loan (in this capacity, the **Borrower Swap Counterparties** and each a **Borrower Swap Counterparty**) have each entered into an interest rate swap agreement in the form of an International Swaps and Derivatives Association, Inc. 1992 Master Agreement (Multicurrency - Cross Border) with each relevant Borrower to be dated on or prior to the Closing Date in respect of each relevant Borrower's obligations to pay interest on that Borrower's Loan. Following the assignment of NIBC as Borrower Swap Counterparty of its rights under the relevant Borrower Swap Agreement to, and assumption of NIBC's liabilities under the relevant Borrower Swap Agreements by, the Back-Up Borrower Swap Counterparty pursuant to a Borrower Contingent Assignment and Assumption Deed, all references herein to the Borrower Swap Counterparty shall be to ABN AMRO or the Back-Up Borrower Swap Counterparty, as applicable. Each of the Borrower Swap Counterparties will act as calculation agent under their respective interest rate swap agreements. In this Offering Circular, the term

	Borrower Swap Counterparties includes any other party appointed from time to time pursuant to the Loan Agreements to act as a counterparty under the interest rate hedging arrangements in respect of the Loans.
Borrower Swap Guarantor:	UBS AG (in this capacity, the **Borrower Swap Guarantor**) will, pursuant to and subject to the terms of a guarantee in favour of all Borrowers (except for the Berlin Borrower) (the **Borrower Swap Guarantee**) guarantee all of NIBC's obligations under the Borrower Swap Agreements in its capacity as Borrower Swap Counterparty. The Borrower Swap Guarantee will be governed by English law.
Calculation Agent:	NIBC will act as calculation agent under the Agency Agreement (the **Calculation Agent**).
Director of the Issuer:	ATC Management B.V. will be the sole managing director of the Issuer and the Issuer Parent and will provide certain corporate administration and secretarial services to the Issuer and the Issuer Parent (the **Director of the Issuer**) pursuant to a management agreement to be entered into on or about the Closing Date (the **Issuer Management Agreement**).
Finance Parties:	NIBC is a party to the Loan Agreements in the following capacities (in the case of paragraphs (a) and (b) below, until the transfer referred to below): (a) as facility agent and security agent of the Loans; (b) as lender of the Loans; and (c) as arranger of the Loans. NIBC is referred to in this Offering Circular as the **Originator** of the Loans. The rights and obligations of the Originator as facility agent, security agent and lender under the Finance Documents will be transferred to the Issuer on the Closing Date in accordance with the Loan Transfer Agreements and one or more German law assignment or transfer agreements. In this manner, the Issuer will become the sole lender under the Loan Agreements and will be the Agent thereunder for itself and the other Finance Parties (i.e., being the Borrower Swap Counterparties and NIBC as arranger). The Borrowers and the Guarantors are also parties to the Loan Agreements as obligors (the **Obligors** and each an **Obligor**).
Irish Paying Agent:	Custom House Administration & Corporate Services Limited (the **Irish Paying Agent**), whose registered office is at 25 Eden Quay, Dublin 1, Ireland, will act as Irish paying agent pursuant to the Agency Agreement.

Issuer:	MESDAG (Charlie) B.V. (the **Issuer**) is incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) having its registered offices at Olympic Plaza, Fred Roeskestraat 123, 1076 EE Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34259061. The entire issued share capital of the Issuer is held by the Issuer Parent.
Issuer Account Bank:	ING Bank N.V., will act as account bank for the Issuer under the Issuer Account Bank Agreement (the **Issuer Account Bank**). All amounts paid by the Borrower to the Issuer will be paid into the Issuer Collection Account.
Issuer Parent:	Stichting Holding MESDAG CMBS (the **Issuer Parent**) is established under the laws of the Netherlands as a foundation (*stichting*) having its registered offices at Olympic Plaza, Fred Roeskestraat 123, 1076 EE Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, under number 34236561. The Issuer Parent holds the entire issued share capital of the Issuer. The Issuer Parent has confirmed that it will not abuse its rights in respect of the Issuer and will abide by the constitutional documents pursuant to which the Issuer is established and all applicable rules and laws in relation to governance thereof in respect of its dealings with the Issuer.
Issuer Swap Counterparty:	NIBC (in this capacity, the **Issuer Swap Counterparty**) will enter into interest rate swap agreements in the form of an International Swaps and Derivatives Association, Inc. 1992 Master Agreement (Multicurrency - Cross Border) with the Issuer to be dated on or prior to the Closing Date in respect of interest rate mismatches arising as a result of the Issuer's obligations to pay floating rates of interest on the Notes and certain Borrowers paying fixed rates of interest on certain of the Loans (the **Issuer Fixed-Floating Swap Agreement**) and in respect of interest rate mismatches arising as a result of the different interest rate periods applicable under the Loans and the Notes (the **Issuer Basis Swap Agreement** and, together with the Issuer Fixed-Floating Swap Agreement, the **Issuer Swap Agreements**). In this Offering Circular, the term **Issuer Swap Counterparty** includes any other party appointed from time to time pursuant to act as a counterparty under the interest rate hedging arrangements in respect of the Notes.
Issuer Swap Guarantor	UBS AG (in this capacity, the **Issuer Swap Guarantor**) will, pursuant to and subject to the terms of a guarantee in favour of the Issuer (the **Issuer Swap Guarantee**) guarantee all of NIBC as the Issuer Swap Counterparty's obligations under the Issuer Fixed-Floating Swap Agreement. The Issuer Swap Guarantee will be

	governed by English law.
Liquidity Facility Provider:	Danske Bank A/S, London Branch will provide the Liquidity Facility to the Issuer under the Liquidity Facility Agreement (in this capacity, the **Liquidity Facility Provider**). In this Offering Circular, the term **Liquidity Facility Provider** includes any other party appointed from time to time to act as a liquidity facility provider under the Liquidity Facility Agreement.
Managing Agent:	There will be a managing agent in relation to each of the Loans (the **Managing Agents** and each a **Managing Agent**) pursuant to the terms of the Property Management Agreements and will, *inter alia*, be required to collect rent from tenants and maintain the Properties (see further *Description of the Loans*).
Note Trustee:	Stichting Note Trustee MESDAG (Charlie) (the **Note Trustee**) is established under the laws of the Netherlands as a foundation (*stichting*) having its registered offices at Olympic Plaza, Fred. Roeskestraat 123, 1076 EE Amsterdam, the Netherlands with registered number 34259060 and will act under the Trust Deed on behalf of the holders of the Notes and under the Issuer Security Agreements as trustee (where applicable) for, on behalf of, or as parallel creditor for, the Noteholders and the other Issuer Security Beneficiaries, as the case may be.
Principal Paying Agent:	NIBC will act as principal paying agent under the Agency Agreement (the **Principal Paying Agent** and, together with the Irish Paying Agent and any other paying agent appointed pursuant to the Agency Agreement, the **Paying Agents**).
Servicer:	NIBC will act as servicer (the **Servicer**), on behalf of the Issuer, of the Loans pursuant to the Servicing Agreement.
Special Servicer:	Hatfield Philips International Limited will act as special servicer (the **Special Servicer**), on behalf of the Issuer, of the Loans pursuant to the Servicing Agreement.
Trustee Director:	Amsterdamsch Trustee Kantoor's B.V. will be the sole managing director of the Note Trustee and will provide certain corporate administration and secretarial services to it (the **Trustee Director**) pursuant to a management agreement to be entered into on or about the Closing Date (the **Trustee Management Agreement**). The Trustee Director is a member of the same group of companies as the Director of the Issuer.

Key characteristics of the Loans

For a detailed summary of the key characteristics of the Loans please see *Description of the Loans*.

Loan Transfer Agreements:	On the Closing Date, pursuant to the Loan Transfer Agreements, the Originator will transfer the Loans to the Issuer. The Loan Transfer Agreements will contain certain representations

and warranties given by the Originator in relation to the Loans and the Loan Security. If any of these representations prove to be incorrect in any material respect and are not capable of remedy or if capable of remedy are not remedied within the relevant time periods specified in the Loan Transfer Agreements, the Originator will be required, *inter alia*, to either (a) indemnify the Issuer and the Note Trustee in respect of all losses, claims, demands and other expenses or other liabilities incurred by the Issuer as a result of such breach or (b) repurchase the relevant Loan. The decision as to which remedy is chosen shall be at the sole discretion of the Originator.

If the Originator chooses to repurchase a Loan rather than indemnify the Issuer, the price to be paid by the Originator to the Issuer for the repurchase of that Loan will be an amount equal to 100 per cent. of the then outstanding principal balance of that Loan, together with accrued interest and costs up to (but excluding) the date of the repurchase as well as (without duplication) any amounts accrued in relation to obligations of the Issuer ranking in priority to amounts due to Noteholders under the Conditions of the Notes (**Relevant Obligations**) less an amount equal to the aggregate of any amounts standing to the credit of the Issuer Collection Account which are used to discharge those Relevant Obligations. Any such acquisition would result in a redemption of all of the Notes on the following Notes Interest Payment Date in accordance with Condition 6 (*Mandatory redemption of the Notes in part)*.

Principal features of the Notes

Notes:

The Notes will comprise:

€355,000,000 Class A Commercial Mortgage Backed Floating Rate Notes 2007 due 2019;

€50,000 Class X Commercial Mortgage Backed Floating Rate Note 2007 due 2019;

€44,700,000 Class B Commercial Mortgage Backed Floating Rate Notes 2007 due 2019;

€44,700,000 Class C Commercial Mortgage Backed Floating Rate Notes 2007 due 2019;

€39,400,000 Class D Commercial Mortgage Backed Floating Rate Notes 2007 due 2019;

€9,800,000 Class E Commercial Mortgage Backed Floating Rate Notes 2007 due 2019.

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

Status and priority:	Payments in respect of the Class A Notes and Class X Note will rank *pari passu* among themselves but will rank ahead of payments in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Payments in respect of the Class B Notes will rank ahead of payments in respect of the Class C Notes, the Class D Notes and the Class E Notes. Payments in respect of the Class C Notes will rank ahead of payments in respect of the Class D Notes and the Class E Notes. Payments in respect of the Class D Notes will rank ahead of payments in respect of the Class E Notes. See *Issuer Security and Cashflows – Cashflows* below. Notwithstanding the above, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be entitled to receive both sequential and *pro rata* distribution of principal subject to and in accordance with Condition 6.2 (*Mandatory Redemption of the Notes in part*). Prior to the service of a Notes Acceleration Notice or the Notes otherwise becoming due and repayable in full, payments of interest and principal in respect of the Notes will be paid in accordance with the Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments and after service of a Notes Acceleration Notice, the Post-Enforcement Priority of Payments, as applicable. See further "Cashflows" and Condition 6.2 (*Mandatory Redemption of the Notes in part*) below. Certain Noteholders are restricted in their ability to pass Extraordinary Resolutions. The Class X Noteholder has no power to request or direct the Note Trustee to take any action or to pass an Extraordinary Resolution. See Condition 12 (*Meeting of Noteholders, modification, waiver, substitution and Note Trustees discretions*).
Form of the Notes:	The Notes of each Class will be issued in NGN form and will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about Closing Date (the **Closing Date**) with a Common Safekeeper. Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 40 days after the Closing Date (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. The Notes will be in denominations of €100,000 each (with the exception of the Class X Note which shall be in the denomination of €50,000) and increments of €1,000 thereafter up to and including €199,000. Definitive Notes will only be issued in certain limited circumstances. No Definitive Notes will be issued with a denomination above €199,000.

The Notes are intended to be issued in New Global Note form, thereby facilitating Eurosystem eligibility. The Notes will be deposited with the Common Safekeeper, which will maintain the record of the Issuer Outstanding Amount. This does not a priori mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit purposes. Such recognition will depend on the satisfaction of the Eurosystem eligiblity criteria as laid down in the ECB's General Documentation.

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

Class	**Fitch**	**Moody's**	**S&P**
Class A Notes	AAA	Aaa	AAA
Class X Note	AAA	N/R	AAA
Class B Notes	AA	Aa2	AA
Class C Notes	A	A2	A
Class D Notes	BBB	Baa3	BBB
Class E Notes	BBB-	N/R	BBB-

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

Listing: Application has been made to the Irish Financial Services Regulatory Authority as competent authority under the Prospectus Directive for this Offering Circular to be approved. Application has also been made to the Irish Stock Exchange for the Notes (other than the Class X Note) to be admitted to the Official List and trading on its regulated market.

Notes Maturity Date: Unless previously redeemed in full, the Notes are expected to be redeemed in full at their Principal Amount Outstanding together with accrued interest on the Notes Interest Payment Date falling in October 2016. In any event, the maturity date of the Notes may not be later than the Notes Interest Payment Date falling in October 2019 (the **Notes Maturity Date**).

Mandatory redemption in part: Unless a Notes Acceleration Notice has been served, on each Notes Interest Payment Date, the Issuer shall apply an amount equal to all Scheduled Amortisation Payments received by it under the Loan Agreements during the preceding Calculation Period. The Notes will be subject to mandatory redemption in part in the manner described in Condition 6.2 (*Mandatory redemption of the Notes in part*).

Principal receipts will be applied by the Issuer both sequentially and on a *pro rata* basis as set out in Condition 6.2 (*Mandatory redemption of the Notes in part*).

If a Sequential Prepayment Trigger Event is outstanding on any Calculation Date (other than as a result of the service of a Notes Acceleration Notice), on the next Notes Interest Payment Date, the Issuer shall apply an amount equal to the Available Notes Redemption Amount (if any) (as determined on the Calculation Date immediately preceding that Notes Interest Payment Date) in mandatory redemption of the Notes in order of seniority of the Notes provided that the Notes of a particular Class may only be redeemed after all of the Notes (other the Class X Note) of any more senior Class of Notes have been redeemed in full.

If a Notes Acceleration Notice has been served, the Issuer shall apply all amounts received by it (if any) in respect of a repayment, prepayment or enforcement of the Loans in accordance with the Post-Enforcement Priority of Payments.

Available Notes Redemption Amount means, on any Calculation Date, the aggregate amount of principal repayments and prepayments (other than Scheduled Amortisation Payments) of the Loans received by the Issuer under the terms of the Loan Agreements during the Calculation Period which has just ended.

Sequential Prepayment Trigger Event means, on any Calculation Date:

(a) a Notes Acceleration Notice has been served; or

(b) a Loan is being Specially Serviced; or

(c) there is a debit balance on the Principal Deficiency Ledger.

The Class X Note may not be redeemed on any Notes Interest Payment Date prior to the Notes Maturity Date unless (a) the application of any Scheduled Amortisation Payments or Available Notes Redemption Amounts towards redeeming the Notes pursuant to Condition 6 will result in the Notes (other than the Class X Note) being redeemed in full or (b) a Notes Acceleration Notice has been served, in which case the Class X Note will be redeemed in full using amounts standing to the credit of the Class X Principal Account, *pari passu* without preference or priority, with the Class A Notes, or if there are no Class A Notes outstanding, in priority to the next Most Senior Class of Notes outstanding on such Notes Interest Payment Date.

See further Condition 6 (*Mandatory redemption of the Notes in part)*.

Optional redemption in full:

Taxation or illegality: If the Issuer satisfies the Note Trustee that by virtue of a change in tax law from that in effect on the Closing Date

(A) the Issuer will be obliged to make any withholding or deduction from payments in respect of the Notes; or (B) it has become unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations under a Finance Document or to maintain its participation in the Loans, subject to the requirements of Condition 6, the Issuer may arrange the substitution of any other company incorporated in another jurisdiction approved by the Note Trustee in place of the Issuer as principal debtor in respect of the Notes. If the Issuer is unable to arrange such substitution within a reasonable period of time, the Issuer shall be obliged to redeem the Notes in full.

Clean-up call: If the aggregate of the Principal Amount Outstanding of all of the Notes then outstanding is less than 10 per cent. of the Principal Amount Outstanding of all the Notes issued on the Closing Date.

In each such case, the Issuer or the Servicer or the Special Servicer (as the case may be) must certify to the Note Trustee that it will have sufficient funds available to it on the relevant Notes Interest Payment Date to discharge all of the Issuer's liabilities in respect of the Notes and any amounts payable under the Transaction Documents to be paid in priority to, or *pari passu* with, the Notes on such Notes Interest Payment Date, all in accordance with Condition 6 (*Mandatory redemption of the Notes in part)*.

No purchase of Notes by the Issuer: The Issuer will not be permitted to purchase Notes.

Interest rates: Each Class of Notes (other than the Class X Note) will bear interest calculated as the sum of EURIBOR (as determined in accordance with Condition 5.3) plus the relevant Margin.

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

Class	**Margin** (per cent.)
Class A Notes	0.17
Class B Notes	0.23
Class C Notes	0.39
Class D Notes	0.72
Class E Notes	0.95

The amount of interest payable on each Notes Interest Payment Date in respect of the Class X Note (the **Class X Interest Amount**) is an amount (as calculated on the Calculation Date falling immediately prior to that Notes Interest Payment Date) equal to the sum of (a) 3-month EURIBOR multiplied by the Class X Principal Amount multiplied by the actual number of days in the relevant Notes Interest Period divided by 360 plus (b) the Available Issuer Income as

	determined on that Calculation Date less (c) the aggregate amount of interest payable in respect of Notes (other than the Class X Note) on the relevant Notes Interest Payment Date and an amount equal to 3-month EURIBOR multiplied by the Class X Principal Amount multiplied by the actual number of days in the relevant Notes Interest Period divided by 360 less (d) the aggregate of all amounts payable by the Issuer on the relevant Notes Interest Payment Date in accordance with items (a) to (e) of the Pre-Enforcement Interest Priority of Payments or items (a) to (d) of the Post-Enforcement Priority of Payments (as the case may be). In addition to the Class X Interest, on each Notes Interest Payment Date the Issuer shall pay to the Class X Noteholder an amount equal to any prepayment fees received by it under the Loan Agreements in respect of a repayment or prepayment of the Loans during the Calculation Period which has just ended. Such amounts shall be paid independently of the Pre-Enforcement Interest Priority of Payments. The **Class X Interest Rate** for each Notes Interest Period is the percentage rate calculated as follows: (a) the product of (i) the Class X Interest Amount divided by (ii) the actual number of days in the relevant Notes Interest Period multiplied by (iii) 360 divided by (b) the Principal Amount Outstanding of the Class X Note as of the first day of the applicable Notes Interest Period. Whenever it is necessary to compute an amount of interest in respect of any of the Notes for any period, such interest will be calculated on the basis of actual days elapsed and a 360-day year. Failure by the Issuer to pay interest on the Class A Notes when due and payable will result in a Note Event of Default under the Notes which may result in the Note Trustee enforcing the Issuer Security.
Interest payments on the Notes:	Interest on the Notes will be paid quarterly in arrear on 25th day of January, April, July and October in each year (each a **Notes Interest Payment Date**) in respect of successive three month interest periods (each a **Notes Interest Period**). If a Notes Interest Period would otherwise end on a day which is not a Business Day, that Notes Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Notes Business Day (if there is not). The first Notes Interest Period will run from (and including) the Closing Date to (but excluding) the Notes Interest Payment Date falling in July 2007 and subsequent Notes Interest Periods will run from (and including) a Notes Interest Payment Date to (but excluding) the next Notes Interest Payment Date.
Cashflows:	The payment of interest and principal on the Notes together with all other fees, costs and expenses of the Issuer payable pursuant to the Transaction Documents will be subject to the Priorities of Payments. See *Issuer Security and Cashflows – Cashflows*.
Issue prices:	The Class A Notes will be issued at 100 per cent. of their aggregate

	initial Principal Amount Outstanding. The Class X Note will be issued at 100 per cent. of its aggregate initial Principal Amount Outstanding. The Class B Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding. The Class C Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding. The Class D Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding. The Class E Notes will be issued at 100 per cent. of their aggregate initial Principal Amount Outstanding.
Withholding tax:	**If any withholding or deduction for or on account of any tax is imposed in respect of payments under the Notes, the Issuer will make payments subject to such withholding or deduction and neither the Issuer nor any other entity will be required to gross-up or otherwise pay additional amounts in respect thereof. See *Taxation in the Netherlands*.**
Security for the Notes:	The obligations of the Issuer to the Issuer Security Beneficiaries will be secured pursuant to a Dutch law, an English law, a Manx law and a German law security assignment or transfer agreement each dated on or before the Closing Date and made between the Issuer, the Issuer Parent, the Note Trustee and certain of the other Issuer Security Beneficiaries (the **Issuer Security Agreements**). The Issuer will grant security interests over and transfer under or pursuant to the Issuer Security Agreements all of its rights and assets including, *inter alia*, its rights with respect to the Loans and the Loan Security (the **Issuer Security**). See *Issuer Security and Cashflows – Issuer Security*. The security interests created under the Dutch law Issuer Security Agreement will be granted in favour of the Note Trustee as a creditor in respect of the parallel debt undertaking of the Issuer and thus for the benefit of the Issuer Security Beneficiaries. The security interests created under the English law Issuer Security Agreements will be granted in favour of the Note Trustee for the benefit of the Issuer Security Beneficiaries. The security interests created under the Manx law Issuer Security Agreement will be granted in favour of the Note Trustee for the benefit of the Issuer Security Beneficiaries. Under the German law Issuer Security Agreements, the non-accessory security rights comprised in that part of the Loan Security governed by German law will be transferred to the Note Trustee. The Issuer Security secures an amount equal to all amounts owed by the Issuer to the Noteholders, the Note Trustee, any appointee of the Note Trustee, the Servicer, the Special Servicer, the Director of the

	Issuer, the Trustee Director, the Liquidity Facility Provider, the Issuer Account Bank, the Issuer Swap Counterparty, the Issuer Swap Guarantor, the Back-up Issuer Swap Guarantor, the Borrower Swap Counterparties, the Back-Up Borrower Swap Counterparty (in respect of amounts owed to it by the Issuer in its capacity as Agent or otherwise), the Originator (in respect of amounts due under the Loan Transfer Agreements), the Paying Agents, the Calculation Agent and any other party so designated by the Issuer and the Note Trustee (the **Issuer Security Beneficiaries**). As a result of the Issuer Security Agreements the Note Trustee will have the benefit of the Loan Security, including the Mortgages. See however *Risk Factors – Foreclosure of Loan Security by the Note Trustee*. Investors should note that the part of the Issuer Security that comprises the Loan Security, including the Mortgages, will only secure the amounts owed by the relevant Obligors to the Finance Parties under the Finance Documents, including the Borrower Swap Agreements. The Note Trustee will however be entitled to enforce the Loan Security subject to and in accordance with the Post-Enforcement Priority of Payments. In that respect the Note Trustee will act as agent and/or trustee on behalf of the Issuer Security Beneficiaries. The Class X Note will be cash collateralised by amounts credited to the Class X Principal Account, and such amounts will only be used to satisfy principal repayment on the Class X Note.
Transfer restrictions:	There will be no transfer restrictions in respect of the Notes, subject to applicable laws and regulations (including the selling restrictions set out in *Subscription and Sale* (to the extent relevant)).
Governing law:	The Notes will be governed by Dutch law.
Liquidity Facility	
Liquidity Facility Provider and Liquidity Facility Agreement:	Pursuant to a liquidity facility agreement (the **Liquidity Facility Agreement**) to be dated on or prior to the Closing Date between the Liquidity Facility Provider, the Issuer and the Note Trustee, the Liquidity Facility Provider will provide to the Issuer a liquidity facility (the **Liquidity Facility**) in an amount equal to 6.5% of the Principal Amount Outstanding of the Notes (other than the Class X Note) from time to time with a maximum aggregate principal amount available for drawdown as of the Closing Date of €32,084,000 (the **Liquidity Commitment**) provided that the Liquidity Commitment shall not, at any time, be less than the lesser of (x) 50% of the Liquidity Commitment at the Closing Date and (y) 15% of the Principal Amount Outstanding under the Notes (other than the Class X Note). The Issuer (or the Note Trustee or the Servicer or Special Servicer (as the case may be) on its behalf) will make and apply the proceeds of drawings under the Liquidity Facility Agreement to meet any shortfalls in the funds available to it as determined from time to time by the Servicer or Special Servicer (as the case may be).

Use of Liquidity Facility:	The Issuer may make drawings under the Liquidity Facility Agreement to fund payments of interest in respect of the Notes (and certain other senior costs of the Issuer) and to finance the making of Hedging Loans and/or Property Protection Advances to the Borrowers under the Loan Agreements. **The Liquidity Facility will not be available to fund any redemption of any principal amount of the Notes.**
Governing law:	The Liquidity Facility Agreement will be governed by English law.

Loan Servicing

Servicing of the Loans:	Pursuant to a servicing agreement (the **Servicing Agreement**) to be entered into on the Closing Date between the Servicer, the Note Trustee, the Issuer and the Special Servicer, the Servicer will act as servicer in respect of the Loans and the Loan Security. As of and following the Closing Date, the Servicer will service and administer the Loans in accordance with the Servicing Standard, including making certain calculations and preparing reports (including the Payments Report and the Investor Report) in respect of the Loans and the Properties. The Servicer will deliver the Payments Report on the second Business Day prior to each Notes Interest Payment Date (the **Servicer Reporting Date**) and the Investor Report on the Notes Interest Payment Date. The Servicer will, subject to the terms of the Servicing Agreement, receive an annual fee payable quarterly in arrear on each Notes Interest Payment Date calculated on the outstanding principal balance of the Loans at the beginning of the relevant Loan Interest Period. See *Servicing - Fees*.
Calculation date:	The quarterly cut-off for information regarding the Loans that are to be reported, *inter alia*, to the holders of the Notes on any Servicer Reporting Date, will be the close of business on the third Business Day preceding each Notes Interest Payment Date (the **Calculation Date**). The period starting on each Loan Interest Payment Date and ending at close of business on the fifth day after the next Loan Interest Payment Date of the relevant Loan is a **Calculation Period**. On the Calculation Date, the Servicer will calculate, *inter alia*, the amount of Available Issuer Income, the Scheduled Amortisation Payments and the Available Notes Redemption Amount.
Special servicing:	Pursuant to the Servicing Agreement, as at the Closing Date, the Special Servicer will be the special servicer in respect of all of the Loans. Thereafter, a substitute Special Servicer may be appointed in respect of the Special Servicer pursuant to the Servicing Agreement. The Special Servicer will only be authorised to act as special servicer in relation to the Loans upon the occurrence of a Special Servicing Event (which includes, among other things, a payment default by the Borrower on the Loan Maturity Date and certain other events) and following the fulfilment of certain other conditions as more

particularly described under *Servicing –Special Servicer*.

If the Special Servicer is authorised upon the occurrence of a Special Servicing Event in relation to a Loan, that Loan will become Specially Serviced and the Special Servicer will become responsible, save for certain responsibilities (as more particularly described in *Servicing* below) which will remain with the Servicer, for specially servicing and administering that Loan and the Loan Security. If appointed, the Special Servicer will, subject to the Servicing Agreement, receive (i) a fee in an amount equal to 0.25 per cent. *per annum* (plus VAT, if applicable) of the principal amount outstanding of that Loan during the period for which that Loan is Specially Serviced (the **Special Servicing Fee**), (ii) a liquidation fee in an amount equal to 1.00 per cent. (plus VAT, if applicable) of the proceeds (net of costs and expenses of sale), if any, arising on the sale of any Property or the relevant Loan (the **Liquidation Fee**) and (iii) a workout fee, payable to the Special Servicer if that Loan subsequently become Corrected (the **Workout Fee**), in an amount equal to 1.00 per cent. of that Loan or, as the case may be (plus VAT, if applicable) of each collection of interest and principal received for so long as they remain Corrected. In addition, an annual fee of EUR 1,500 shall be paid by the Issuer to the Special Servicer. See *Servicing – Fees*.

That Loan will cease to be Specially Serviced and will become Corrected if the events giving rise to it becoming Specially Serviced are cured. See *Servicing*.

Controlling Class:

Controlling Class means, at any time:

(a) the holders of the most junior Class of Notes (other than the Class X Note) then having a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date; or

(b) if no Class of Notes then has a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date, the holders of the then most junior Class of Notes (other than the Class X Note),

excluding, in each case, from the calculation of the Principal Amount Outstanding at that time any Notes which are held by, or for the benefit of or on behalf of each of the Borrowers or NIBC and/or or any one or more of their Affiliates (the **Excluded Class**).

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

Rights of the Operating Adviser

The Servicing Agreement will provide, among other things, that the

	Controlling Class will have the right to appoint an adviser to the Special Servicer (the **Operating Adviser**) in respect of the Loans. The Operating Adviser (if one is so appointed) will have certain rights to advise the Special Servicer with respect to certain modifications, waivers and consents as they relate to the Loans.
Property Protection Advances:	Pursuant to the Servicing Agreement, the Servicer (or the Special Servicer, as the case may be) may, at its sole discretion, pay or request the Issuer to make a drawing under the Liquidity Facility Agreement to pay any amounts owing to third parties such as insurers or other persons providing services in relation to the Properties where the non-provision of such services (including insurances) could adversely affect the Properties in a material manner (such payment shall be deemed to be an advance from the Issuer to a Borrower made available pursuant to the Loan Agreements, a **Property Protection Advance**). Alternatively, the Servicer (or the Special Servicer, as the case may be) may, at its sole discretion, make such a payment out of its own funds. In such case, the Servicer (or the Special Servicer, as the case may be) will be reimbursed by the Issuer together with interest thereon (at the rate agreed in the Servicing Agreement), on the Notes Interest Payment Date immediately following the date on which such payment is made, in priority to any amounts due in respect of the Notes or by way of a drawing under the Liquidity Facility Agreement. Any amounts drawn under the Liquidity Facility to fund a Property Protection Advance or to reimburse the Servicer or the Special Servicer will be repaid by the Issuer in the manner set out in *Issuer Security and Cashflows - Liquidity Facility Agreement*.
Hedging Loans:	In the event that any Borrower fails to pay all or any part of certain amounts which are due and payable pursuant to the relevant Borrower Swap Agreement and that failure to pay would constitute an event of default under the relevant Loan Agreement, the Servicer may, in its sole discretion, request the Issuer to make available to such Borrower (by way of an advance made available pursuant to the relevant Loan Agreement) the amount of a utilisation of the Liquidity Facility Agreement in an amount equal to the amount of the unpaid amount (a **Hedging Loan**). In such case, the Issuer will be reimbursed in the amount of the Hedging Loan with interest thereon (at the rate agreed in the Servicing Agreement), on the Notes Interest Payment Date immediately following the date on which such payment is made, in priority to any amounts due to the Borrower Swap Counterparties. Alternatively, the Servicer may, at its sole discretion, make such a payment out of its own funds. In such case, the Servicer will be reimbursed by the Issuer together with interest thereon (at the rate agreed in the Servicing Agreement), on the Notes Interest Payment Date immediately following the date on which such payment is made, in priority to any amounts due in respect of the Notes or by way of a drawing under the Liquidity Facility Agreement. Any amounts drawn under the Liquidity Facility to fund a Hedging Loan or to reimburse the Servicer or the Special Servicer will be repaid by the Issuer in the manner set out in *Issuer Security*

and Cashflows - Liquidity Facility Agreement.

RISK FACTORS

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

A. Considerations relating to the Notes and the Loans

Liability under the Notes

The Issuer is the only entity which has obligations to pay principal, premium (if any) and interest in respect of the Notes. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity, including (but not limited to) NIBC (in any capacity), the Bookrunners, the Originator, the Agent, the Note Trustee, the Liquidity Facility Provider, the Servicer, the Special Servicer, the Paying Agents, the Calculation Agent, the Director of the Issuer, the Trustee Director, the Borrower Swap Counterparties, the Issuer Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Issuer Swap Guarantor, the Back-Up Issuer Swap Counterparty, the Borrower Swap Guarantor and the Issuer Account Bank, or by any entity affiliated to any of the foregoing. Furthermore, no entity other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Limited resources of the Issuer

The Notes will be full recourse obligations of the Issuer. However, the assets of the Issuer will themselves be limited. The ability of the Issuer to meet its obligations under the Notes will be dependent primarily upon the receipt by it of principal and interest from the Borrowers under the Loan Agreements and the receipt of funds (if available to be drawn) under the Liquidity Facility Agreement and the Issuer Swap Agreement. Other than the foregoing, and any interest earned by the Issuer in respect of its bank accounts, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes.

Upon enforcement of the Issuer Security, the Note Trustee will have recourse only to the Loans and the Loan Security and to any other assets of the Issuer then in existence as described in this Offering Circular. If the Issuer Security is enforced and the proceeds of the enforcement are insufficient to repay in full all principal and interest and other amounts due under the Notes, then, as the Issuer will not have any other assets, it may be unable to satisfy claims in respect of any such unpaid amounts. Enforcement of the Issuer Security by the Note Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts owed under the Notes.

Risks inherent to the Notes

By acquiring the Notes, the Noteholders shall be deemed to have knowledge of, understand, accept and be bound by the Conditions. None of the Issuer, the Paying Agents or the Calculation Agent will have any responsibility for the proper performance by Euroclear and/or Clearstream, Luxembourg or its participants of their obligations under their respective rules, operating procedures and calculation methods.

Limited Provision of Information

The Issuer will have no obligation to keep any Noteholder or any other person informed as to matters arising in relation to the Obligors, the Notes, the Loans or the Properties, except for the information provided in the quarterly investor report concerning the Notes which will be made available to, amongst others, the Issuer, the Note Trustee, the Paying Agents and the Calculation Agent, on or about each Notes Interest Payment Date.

Ratings of the Notes

The ratings assigned to each Class of the Notes by the Rating Agencies are based on the Loans, the Loan Security, the Properties and other relevant structural features of the transaction, including, *inter alia*, the short term and long term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, the Borrower Swap Counterparties and the Back-Up Borrower Swap Counterparty. These ratings reflect only the views of the Rating Agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

The ratings address the likelihood of full and timely receipt by any of the Noteholders of interest on the Notes and the likelihood of full and timely receipt by any Noteholder of the principal amount of the Notes on or before the Notes Maturity Date. There can be no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may have an impact upon the market value and/or liquidity of the Notes of any Class.

Credit rating agencies other than Fitch, Moody's and S&P could seek to rate the Notes (or any Class of them) without having been requested to do so by the Issuer, and if such "unsolicited ratings" are lower than the comparable ratings assigned to the Notes by Fitch, Moody's and S&P, those unsolicited ratings could have an adverse effect on the market value and/or liquidity of the Notes of any Class. In this Offering Circular, all references to **ratings** in this Offering Circular are to ratings assigned by the specified Rating Agencies (i.e. Fitch, Moody's and S&P).

Ratings confirmations

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

However, it should be noted that the decision as to whether or not to reconfirm any particular rating may be made on the basis of a variety of factors and no assurance can be given that any such reconfirmation will not be given in circumstances where the relevant proposed matter would materially adversely affect the interests of Noteholders of a particular Class. The Rating Agencies, in assigning credit ratings, do not comment upon the interests of holders of securities (such as the Notes). In addition, no assurance can be given that the Rating Agencies will provide any such reconfirmation.

Denomination of Notes

In relation to any issue of Notes which have a denomination consisting of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integrals of €100,000. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum €100,000 may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a specified denomination.

Absence of secondary market; limited liquidity

Application has been made to the Irish Financial Services Regulatory Authority as competent authority under Prospectus Directive for this Offering Circular to be approved. Application has also been made to the Irish Stock Exchange for the Notes (other than the Class X Note) to be admitted to the Official List and trading on its regulated market. There is not, at present, a secondary market for the Notes. There can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. In addition, the market value of certain of the Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Availability of Liquidity Facility

There is a risk that interest payable in respect of the Loans is not received on time, which could cause temporary liquidity issues to the Issuer. This risk is mitigated in certain circumstances by the Liquidity Facility.

Under the Liquidity Facility Agreement, the Liquidity Facility Provider will, under and in accordance with the terms of the Liquidity Facility Agreement, make available to the Issuer a liquidity facility to enable the Issuer to make payments of interest in respect of the Notes and certain other senior costs of the Issuer and to make Hedging Loans and Property Protection Advances to the Borrower. However, the Liquidity Facility will not be available to the Issuer to enable it to make any payment of principal payable in respect of the Notes of any Class. It should also be noted that, in certain limited circumstances, the Issuer will not be able to make any further drawings under the Liquidity Facility Agreement.

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

Danske Bank A/S, London Branch will act as the initial Liquidity Facility Provider under the Liquidity Facility Agreement. The long term, unsecured, unsubordinated debt obligations of Danske Bank A/S are currently rated "Aa1" by Moody's, "AA-" by Fitch and "AA-" by S&P and its short term, unsecured, unsubordinated debt obligations are currently rated "F1+" by Fitch, "P-1" by Moody's and "A-1+" by S&P.

See further *Issuer Security and Cashflows – Liquidity Facility Agreement* for further information.

Subordination of the Notes

The obligations of the Issuer in respect of the Notes will rank as to payment of interest and principal behind the obligations of the Issuer in respect of certain items set forth in the Priorities of Payments such as any tax payments, audit fees and the costs and expenses of certain Issuer Security Beneficiaries e.g. the Director of the Issuer and the Paying Agents. As a result of such Priority of Payments, any losses on the Loans will be borne, first, by the Class E Notes, secondly, by the Class D Notes, thirdly, by the Class C Notes, fourthly, by the Class B Notes and fifthly by the Class A Notes and the Class X Note (*pari passu*). As a result of this subordination, under certain circumstances investors in one or more Classes of Notes may not recover their initial investment.

Conflict of interests between Classes of Noteholders

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

Limited Rights of Class X Note

The Class X Note will not have all of the rights of the other Notes. The Class X Note will not receive regular payments of principal, will not have any voting rights, will not be permitted to vote on any Extraordinary Resolutions or other resolutions and cannot become the Controlling Class. In addition, the Class X Noteholder will not be able to direct an enforcement of the Issuer Security by the Note Trustee.

Withholding or deduction under the Notes

In the event that a withholding or deduction for or on account of any taxes are imposed by law, or otherwise applicable, in respect of amounts payable under the Notes, neither the Issuer nor the Paying Agents or any other entity is obliged to gross up or otherwise compensate Noteholders for the lesser amounts which the Noteholders will receive as a result of the imposition of such withholding or deduction. The imposition of such withholding or deduction would (unless the Issuer is able to arrange for another company to become the principal debtor with respect to the Notes) oblige the Issuer to redeem the Notes at their then Principal Amount Outstanding (plus accrued interest) thereby shortening the average lives of the Notes (see Condition 6).

Yield and prepayment considerations

The yield to maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of receipt by the Issuer of amounts of principal in respect of the Loans (and payment thereof to Noteholders), the interest rate from time to time and the purchase price paid by Noteholders in respect of such Notes.

The rate of distributions of principal in reduction of the Principal Amount Outstanding of any Class of Notes, the aggregate amount of distributions in principal on any Class of Notes and the yield to maturity on any Class of Notes will be directly related to the rate of scheduled and unscheduled payments of principal on the Loans, the amount and timing of any defaults and the severity of losses occurring upon a default. In addition, a reduction in the Principal Amount Outstanding of any Class of Notes may result from a repurchase by the Originator of a Loan or an indemnity payment due to breaches of certain representations and warranties in the Loan Transfer Agreements as described under *Loan Documentation and Security - Loan Transfer Agreements*.

The Loan Agreements provide for scheduled amortisation of approximately € 53,900,000 over the expected life of the Loans. In addition, a Borrower is required to prepay the relevant Loan in part if a Borrower disposes of any Property. A prepayment in full of the Notes may also result from or upon a purchase of a Loan by the Servicer or the Special Servicer in accordance with the terms of the Servicing Agreement or if, at any time, the aggregate Principal Amount Outstanding under the Notes is less than or equal to 10 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date, the Issuer has the right (but is not obliged) to redeem all Notes in accordance with Condition 6. In addition, any Borrower will have the option to voluntarily prepay all or any part of the relevant Loan. If a Borrower repays or prepays the relevant

Loan in whole or in part, the Issuer will effect a redemption of the Notes in a principal amount which corresponds to the amount of the Loan prepaid.

Noteholders will only receive distributions of principal or interest when due to the extent that the related payments under the Loans are actually received or, in respect of interest, sufficient amounts are available to be drawn under the Liquidity Facility Agreement. Consequently, any defaulted payment will, to the extent of the principal portion thereof, tend to extend the weighted average lives of the Notes whether or not a permitted extension of the maturity date of the Loans has been effected.

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

Certain repayments or prepayments of the Loans require prepayment fees to be paid, which could be a deterrent to prepayments. Although the payment of a prepayment fee would be required in connection with a voluntary prepayment of certain of the Loans during certain periods of time, there can be no assurance that a Borrower would refrain from prepaying the relevant Loan due to the existence of such prepayment charges, or that such prepayment charges would be held to be enforceable if challenged.

Effects of a Borrower Default

The rate and timing of delinquencies or defaults on the Loans 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 (other than the Issuer Swap Agreement, the Liquidity Facility Agreement and any interest on the Issuer Bank Accounts) will be the Loans and any losses on the Loans will be allocated to the holders of the Notes, as described under *Risk Factors – Considerations relating to the Notes and the Loans – Subordination 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 Loans may significantly delay the receipt of distributions on the Notes, unless Liquidity Loans are made to cover delinquent payments or the subordination of another Class of Notes fully offsets the effects of any such delinquency or default.

Refinancing risk

The Loan Agreements provide for certain scheduled amortisation over the expected life of the Loans. However, the Borrowers will be required to repay a very substantial part of the principal amount of the Loans on the Loan Maturity Date. The ability of a Borrower to repay the relevant Loan in its entirety on or before the Loan Maturity Date will depend upon the Borrower's ability either to refinance the Loan or to sell the Properties by that date. The ability to achieve this will be affected by a number of factors, including the availability of financing at the time, the amount of the Borrower's equity in the Properties, the operating history of the Properties, the general economic or local conditions and other factors. None of NIBC (in any

capacity), the Bookrunners, the Issuer, the Obligors nor any of the Obligors' affiliates or shareholders or any other person is or will be under any obligation to refinance the Loans and there is no assurance that the aggregate (foreclosure) value of the Properties on the Loan Maturity Date will be equal to or exceed the amounts then due under the Loans.

Failure by the Borrowers to refinance the Loans or to sell any Properties on or prior to the Loan Maturity Date may result in Borrowers defaulting on the Loans. In the event of such a default, the Noteholders, or the holders of certain Classes of Notes, may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay, in full, interest due on the Notes.

If the Loans could not be refinanced or if the Properties could not be sold for a sufficient amount to enable repayment of the Loans then the Servicer or the Special Servicer (as appropriate) may decide that the ongoing operation of the Properties would be more likely to result in sufficient funds being obtained to enable repayment of the Loans. If the ongoing operation of the Properties were to continue and/or the Properties to be retained beyond the Notes Maturity Date then the Issuer might be unable to meet its obligations to repay the Notes in full on that date.

Hedging risks

Those Loans which bear interest at a fixed rate require no Borrower Swap Agreement.

Some of the Loans bear interest at a floating rate. The income of the Borrowers does not vary according to prevailing interest rates. Therefore, in order to protect the Borrowers (and, indeed, the Issuer) against the risk that the interest rates payable under the Loans may increase to levels which would be too high, bearing in mind the income of the Borrowers, the Borrowers have entered into and, under the terms of the relevant floating rate Loan Agreements, will be required to maintain certain hedging arrangements to hedge against this risk. See further *Borrower Accounts and Hedging – Borrower Swap Agreement* below.

If any Borrower were to default in its obligations to a Borrower Swap Counterparty, or if a Borrower Swap Counterparty were to default in its obligations to any Borrower, then that Borrower will be exposed to any changes in prevailing interest rates and may therefore have insufficient funds to make payments due at that time in respect of the Loans. In these circumstances the Issuer may not have sufficient funds to make payments in full on the Notes and Noteholders could, accordingly, suffer a loss.

A Borrower Swap Agreement may be terminated by a Borrower or the Borrower Swap Counterparty in certain limited circumstances (see further *Borrower Accounts and Hedging – Borrower Swap Agreement*). If a Borrower Swap Agreement is terminated, the relevant Borrower may be obliged to make a termination payment to that relevant Borrower Swap Counterparty. The amount of any termination payment will be based on the market value of the terminated transaction(s) under the Borrower Swap Agreement based on market quotations of the cost of entering into a transaction or transactions with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

All payments to a Borrower Swap Counterparty (including payment of any such termination payment) rank senior to the payments to the Issuer in its capacity as Lender but after repayment of any Hedging Loan made by the Issuer. If a swap termination payment is due to a Borrower Swap Counterparty, the funds which the Borrowers have available to make payments on the Loans (and consequently the funds which the Issuer has available to make payments on the Notes) would be reduced. However, any termination payment due to a Borrower Swap Counterparty which arises due to (a) a default by a Borrower Swap Counterparty or (b) a termination event related to a ratings downgrade of obligations of a Borrower Swap Counterparty (or the Borrower Swap Guarantor, as the case may be) shall not rank in priority to payments due to the Issuer in its capacity as Lender (but, in relation to (b) only, to the extent that any premium is received by the Borrower

from a replacement Borrower Swap Counterparty in relation to a transaction entered into to replace the Borrower Swap Agreement, the Borrower Swap Counterparties shall rank in priority to payments due to the Issuer in its capacity as Lender).

No Borrower can give any assurance that it will be able to enter into a replacement swap agreement, or that the credit rating of a replacement swap counterparty will be sufficiently high to prevent a downgrading of the then current ratings of the Notes by the Rating Agencies. If no replacement swap counterparty can be found then the interest rate risk will be un-hedged.

The Issuer has also entered into an Issuer Swap Agreement to hedge any mismatch between the rates of interest at the date on which EURIBOR is determined for each Loan Interest Period and the date on which EURIBOR will be determined for each Notes Interest Period and a separate Issuer Swap Agreement to hedge any mismatch between the rates of interest on Loans bearing a fixed rate and the Issuer's floating rate obligations under the Notes. If an Issuer Swap Transaction under an Issuer Swap Agreement is terminated, the Issuer may be obliged to make a termination payment to the Issuer Swap Counterparty. The amount of the termination payment will be based on the then market value of the terminated Issuer Swap Transaction.

Except where the Issuer Swap Transaction has terminated as a result of (a) a default by the Issuer Swap Counterparty or (b) a termination event related to a ratings downgrade of obligations of the Issuer Swap Counterparty or its (if any) Credit Support Provider (as defined in the relevant Issuer Swap Agreement), any termination payment due from the Issuer following termination of such Issuer Swap Agreement (including any extra costs incurred (for example, from entering into spot interest rate swaps) if the Issuer cannot immediately enter into a replacement swap agreement), will rank in priority to payments in respect of the Notes.

Therefore, if the Issuer is obliged to make a termination payment to the Issuer Swap Counterparty or pay any other additional amounts as a result of the termination of the Issuer Swap Transaction, this could reduce the Issuer's ability to service payments on the Notes.

In the event that an Issuer Swap Counterparty fails to perform its obligations under the relevant Issuer Swap Agreement the ability of the Issuer to meet its obligations in respect of the Notes may be adversely affected. If the Issuer Swap Transaction is terminated by the Issuer, there can be no guarantee that the Issuer will be able to enter into a replacement transaction on the same terms as the Issuer Swap Transaction or at all. See *Issuer Security and Cashflows – Issuer Swap Agreement*.

The hedging transactions under each Borrower Swap Agreement and the Issuer Swap Agreements will mature on each respective Loan Maturity Date and the Notes Interest Payment Date immediately following the last Loan Maturity Date, respectively. This means that, if the Loans have not been fully repaid on or before such dates, the relevant Borrower and the Issuer will be exposed to the prevailing interest rates at that time.

Appointment of substitute Servicer or Special Servicer

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

Workout and Liquidation Fees

If a Loan has been Specially Serviced but subsequently become Corrected and certain other conditions are met, as described under *Servicing – Fees*, the Special Servicer will be entitled to the relevant Workout Fee and/or Liquidation Fee for so long as the relevant Loan remain Corrected. Because Workout Fees and Liquidation Fees are not recoverable from a Borrower under a Loan Agreement, payment of any such fees may reduce amounts payable to the Noteholders to the extent that they are not off-set by default interest payable on the relevant Loan.

B. Considerations relating to the Borrowers and the Properties

Dependence on tenants

Each Borrower relies on rental payments payable by tenants under leases (a) to service the relevant Loan and any other debt or obligation it may have outstanding, (b) to pay for maintenance and other operating expenses of the Properties and (c) to fund capital improvements. A Borrower's ability to make payments in respect of a Loan Agreement could be adversely affected if occupancy levels at the Properties were to fall or if a significant number of tenants were unable to meet their obligations under their leases.

There is also a risk that rental payments due under the leases will not be paid on the due date or not paid at all. If any payment of rent is not received on or prior to a Loan Interest Payment Date and any resultant shortfall is not otherwise compensated for from other resources, there may be insufficient cash available to a Borrower under a Loan Agreement and therefore for a Borrower to make payments to the Issuer under a Loan Agreement in full or at all. Such a default by a Borrower may not itself result in a Note Event of Default since the Issuer will have access to other resources as mentioned above (specifically, funds made available under the Liquidity Facility to make certain payments under the Notes as further described in *Issuer Security and Cashflows – Liquidity Facility Agreement*). However, no assurance can be given that such resources will, in all cases and in all circumstances, be sufficient to cover any such shortfall and that a Note Event of Default will not occur as a result of the late payment of rent.

There is also a risk that a tenant may be entitled to withhold payments if a Borrower does not comply with its obligations under a lease.

Fiscal Unity

White Rock Investments II B.V. is a member of a fiscal unity (*fiscale eenheid*) for Dutch corporate income tax purposes with various of its Dutch group companies. These group companies neither are borrowers nor guarantors under the loan made available to White Rock Investments II B.V. Under Dutch law a member of a fiscal unity is jointly and severally liable for all Dutch corporate income tax claims against any member of the fiscal unity relating to the period in which the relevant member is part of the fiscal unity. This liability

could lead to cash leakage from White Rock Investments II B.V. or result in the tax authorities taking action (e.g. filing winding up petitions) against White Rock Investments II B.V. Under Dutch law, Dutch corporate income tax claims are preferred claims (*voorrecht*) but the preferred tax claims do not take preference over claims secured by a defined security interest (*pandrecht* or *hypotheekrecht*) for the amount that the secured claim can be enforced against the secured assets, although (i) certain costs applicable to the foreclosure of security interests on particular assets will rank ahead in a bankruptcy and (ii) in a bankruptcy the tax authorities will have a preferred position in respect of the proceeds of enforcement of movable assets that qualify as inventory (*bodemzaken*) used by the debtor of the tax claim on the premises used by it. As the mortgagor under the Loans will not itself use the real property mortgaged by it, the exception under (ii) should in fact not apply.

Legal form of certain Borrowers

Certain Borrowers are a limited partnership (a *commanditaire vennootschap*) established under Dutch law. A limited partnership under Dutch law does not have a legal personality and existence separate from its partners. Under a limited partnership, the general partner is fully liable for all obligations of the partnership while the liability of the other ("silent") partners is limited. The partnership deed pursuant to which a limited partnership is constituted may provide for certain termination events, including the bankruptcy of a partner. On the happening of such an event, the partnership deed provides that the partnership would terminate unless the remaining partners elect to continue the partnership. If the remaining partners elect not to continue the partnership, its assets would be liquidated and its liabilities would have to be satisfied. A change in the partnership agreement or a partner ceasing to be a partner in the partnership are events of default under the relevant Loan Agreement entitling (but not obliging) the Issuer (as lender thereunder) to accelerate the relevant Loan. If the Issuer does not accelerate the relevant Loan, then the liquidation of the partnership could only occur by way of a voluntary prepayment of that Loan. It is expected that the law on limited partnerships will be amended. If the new legislation will be in the form of the current proposals, this will not have any effect on the position of the Issuer as lender under Loans made to a limited partnership or on the Loan Security granted by the limited partnership in connection therewith.

C. Considerations relating to Dutch Property Law

Title to the Properties

General

In the Netherlands, the full and beneficial unencumbered ownership of land (*eigendomsrecht*) is the most inclusive right to real property. The legal title to the land includes the legal title to the buildings situated on the land. There are also two types of rights *in rem* that closely resemble ownership. First, a person may have a building right (*zelfstandig opstalrecht*). This implies full ownership rights (until the expiry date of such building right) in respect of the object(s) (mostly buildings) on the property as described in the underlying documentation. Secondly, a person may also have a leasehold right (*recht van erfpacht*) in respect of land and/or any buildings located on that land. This does not give that person any ownership rights in the land or the buildings on that land itself but it does give that person the right to hold and use the land and the building. It is common for a person to have a leasehold right combined with a building right so that it also has full access to the property and the right to use the complete parcel, besides the building right, which might be only related to a single building on the land.

If a leasehold right or a building right is granted for a fixed period then it will automatically expire at the end of that period. However, it is often agreed between parties to have the leasehold right or a building right carry on for a new period of time, if, by the end of the fixed period none of both parties terminates the agreement. Both parties in connection with a leasehold right or a building right, must comply with the terms and conditions of that leasehold right or building right (as the case may be). Such terms and conditions

would include the payment of ground rent. If the person entitled to the leasehold right or a building right fails to pay the ground rent for two consecutive years or seriously fails in the performance of its other obligations under such terms and conditions, the owner (*eigenaar*) may be entitled to terminate that leasehold right or building right. However, it is common for the ground rent payable in respect of a leasehold right or a building right to be bought off for a specific period of time (e.g. 50 years). If a leasehold right or a building right is terminated, the owner will have the obligation to compensate the leaseholder (*erfpachter*) (and such compensation will automatically be secured by the terms of the mortgage in respect of the relevant Property) unless this obligation to compensate has been explicitly excluded in the relevant agreement. However, the amount of that compensation will, *inter alia*, be determined by the conditions of the leasehold right or building right and may be less than the market value of that leasehold right or building right.

In case of an extension of a leasehold right by operation of law, both the owner and the leaseholder may terminate the leasehold right with a 12 month notice period.

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

Furthermore, the alienation or encumbrance of a leasehold right or a building right may be subject to approval by the owner. However, such approval would in most cases not be required in the event of a foreclosure of any security in respect of such property.

Transfer Restrictions

Under the Municipalities Purchase Preference Act (*Wet voorkeursrecht gemeenten*), in respect of properties so designated by a local municipality, the local municipality will have a right of first refusal to acquire that property in the event an owner of that property wishes to sell. However, this requirement can be waived by the local municipality. Similarly, the terms of a leasehold or a building right may require the owner (*eigenaar*) of a property to gives its consent before that property can be transferred to a third party and the terms and conditions of certain lease contracts may give a tenant the right of first refusal to purchase a property in the event the landlord wishes to sell the property. However, if the tenant is not willing to pay the market price for the property the landlord is entitled to sell the property to a third party.

Compulsory purchase

Under Dutch law, a property may at any time be compulsorily acquired by, *inter alia*, a local or public authority or a governmental department, generally in connection with proposed redevelopment or infrastructure projects. However, if a compulsory purchase order is made in respect of the Properties (or part of the Properties), compensation would be payable on the basis of the open market value of all of the relevant Borrower's and the tenants' proprietary interests in the Properties (or part thereof) at the time of the purchase. Following such a purchase, the tenants would cease to be obliged to make any further rental payments to the relevant Borrower under the relevant occupational leases (or rental payments would be reduced to reflect the compulsory purchase of a part of the Properties if applicable). Such a purchase might also constitute a Loan Event of Default and lead to an acceleration of the relevant Loan. The risk to Noteholders is that the amount received from the proceeds of purchase of the ownership right of the Properties may be less than the amounts required to pay all amounts due under the Finance Documents.

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

Legal framework relating to the leasing of property in the Netherlands

In general, parties are free to agree to any terms relating to the leasing of property. However, there are several mandatory provisions of law provided in the Dutch Civil Code which apply to occupational lease agreements. First, the provisions regarding general contract law apply. Secondly, the provisions of general lease law apply. Finally, there are also provisions specific to the type of lease agreement, e.g. residential, retail and office, which also apply. The lease agreements relating to the Properties are retail and office lease agreements. These provisions may allow a lease agreement to be terminated or modified which may affect the cashflow derived from the Property or the value of a Property.

General contract and bankruptcy law

If a party to a contract (e.g. an occupational lease) believes that circumstances have occurred which are of such a nature that the other party (according to certain criteria regarding reasonableness and fairness) could not expect that contract to continue in its current form, that party may, under the *imprévision* provisions of the Dutch Civil Code, apply to court for a modification of that contract or for that contract to be set aside in whole or in part. In addition, note that parties to a contract must act in accordance with good faith or reasonableness and fairness when performing their obligations under the contract. It should be noted that good faith can also derogate the effect of a contractual obligation or right. This means that a provision may not be enforceable given the circumstances of the case.

If a lessee is subject to bankruptcy proceedings, the landlord and the bankruptcy trustee of that tenant are (with the consent of the supervisory judge in bankruptcy) entitled to an early termination of the relevant lease agreement subject to a notice period agreed in accordance with common practice. In general, a notice period of three months is generally considered to be sufficient.

General lease law

If a tenant breaches any of its obligations under a lease agreement (including a failure to pay rent), the landlord may not terminate or dissolve that lease agreement without the permission of the Dutch court. However, if the leased space is completely destroyed, the lease can be dissolved by either party without prior permission of the Dutch court. If the leased space is only partially destroyed, the tenant can request the Dutch court to reduce the rent or to dissolve the lease agreement.

Office space

There are no statutory minimum lease terms for the lease of office space, nor are there any regulations relating to the amount of rent payable or to rent reviews. However, the Dutch Civil Code does contain mandatory provisions with regard to eviction protection at the end of the lease term (as described below).

A lease agreement will terminate at the end of the agreed term or upon termination by one of the parties in accordance with the lease agreement. In order to oblige a tenant to vacate the leased premises, the tenant must be given a notice of eviction by means of a bailiff's notification or a registered letter. The obligation to vacate is subsequently suspended for two months by law as of the date of eviction stated in the notice of eviction. However, a tenant is not entitled to a suspension of eviction if the lease was terminated by that tenant or if the tenant has expressly agreed to the termination or if the tenant was ordered to evict the leased premises as a result of a breach of its obligations under the lease. If the tenant is entitled to a suspension from

eviction, the tenant may within the two month suspension period request the Dutch courts to extend the suspension term. Upon filing of such a request, the obligation to vacate is further suspended after expiry of the initial two month period until a judgment has been given by the Dutch court. The Dutch court can extend the suspension term for a period of up to one year. Furthermore, the tenant may request the Dutch court to extend the suspension term twice i.e. the suspension term may be extended for a maximum total period of three years. The request of the tenant for extension of the suspension term will only be granted by the court, if the eviction would be more seriously damaging to the interests of the tenant than to the interests of the landlord. A suspension request will be denied, for example, if the tenant has made improper use of the leased premises or if the tenant has previously agreed to the termination or vacation.

If the eviction is suspended then the (former) tenant is not required to continue to pay rent at the contractual rate; the parties will be required to agree a new rate. If the parties cannot agree on a new rate, the court can determine the rate at the request of one of the parties. There is therefore a risk that in these circumstances the amount of rent received by Borrower will be reduced which may affect its ability to make payments under a Loan Agreement and ultimately the Issuer's ability to make payments under the Notes.

Retail space

The Dutch Civil Code requires a lease in respect of retail space to provide the tenant with a security of tenure for two terms of five years, although these provisions do not apply to a lease agreement which is entered into for a maximum period of two years. After a term of ten years, the lease will be continued for an indefinite period, unless the parties have agreed otherwise. The lease agreement will not terminate just because the fixed term elapses and notice of termination by one of the parties is required. The notification period is at least one year. If a tenant gives notice of termination of the lease agreement at the expiry date of a lease period, the lease agreement will end automatically. However, if the landlord terminates the lease agreement at the expiry of a lease period without the consent of the tenant, the lease agreement will continue until it is terminated by the appropriate Dutch court. If the landlord gives notice of termination at the expiry of the first lease period (if the term of that lease period is less than ten years), the court will terminate the lease if one of the following situations described in the law occurs: (a) the tenant has not conducted its business as a good tenant ought to have or (b) the landlord has an urgent need to use the property itself (which ground for termination cannot be claimed within three years after the landlord became the owner of the property). If the landlord gives notice of termination at the expiry of the first lease period (if the term of that lease period is more than ten years) or at the expiry of any subsequent lease period, the court will terminate the lease agreement upon the occurrence of either of the situations described in (a) or (b) above or if: (i) the landlord's interest in termination of the lease agreement outweighs the interests of the tenant in continuation of the lease agreement, (ii) the use of the property is not according to the current zoning plan and the landlord wants to bring the factual situation in line with the zoning plan or (iii) the tenant does not accept a reasonable offer to enter into a new lease agreement.

The rent will be set for each term. The rent can be adjusted at the end of a lease term or every five years. If the current rent does not correspond with the rent of comparable leased properties in the area, the tenant and/or the lessor may request the court to determine a new rent. However, before the parties address the court they must have appointed an expert on valuation, who will advise the court on the review of the rent. If parties fail to reach an understanding on the appointment of an expert, the court will appoint one. The court can decide that the new rent will be increased gradually over a maximum period of five years.

ROZ standard lease agreements

The Dutch Council for Real Estate Matters (*Raad voor Onroerende Zaken* or *ROZ*) is composed of representatives of parties involved in commercial real estate in the Netherlands and is chaired by an independent chairman. The ROZ publishes standard agreements and corresponding general terms and

conditions which are used on a large scale by Dutch property companies. The general terms and conditions have been formulated in favour of the landlord.

The ROZ standard agreements and the corresponding general terms and conditions for retail space (editions 1994 and 2003) and office space (editions 1994, 1996 and 2003) provide an annual rent adjustment on the basis of Consumer Price Index published by the Dutch Central Bureau of Statistics. The rent will not be adjusted if such adjustment would lead to a lower rent than the most recent rent. The adjusted rent will apply even if the lessee is not informed of this separately.

The ROZ standard agreement for office space (edition 1994) and retail space (edition 1994) also provides for an adjustment of the rent to the market rent. To exercise this right, one of the parties must first inform the other party of this by registered letter with confirmation of receipt at least six months before the date on which the reviewed rent will have to take effect. If the parties have not reached an agreement within two months of receiving the notification, the rent will be determined by three experts. The experts will issue their report within six weeks of their appointment being made.

VAT

Under Dutch law, it is possible for the payments under a lease agreement to become VAT exempt if the relevant lessee is not able to deduct 90% or more of its input VAT. Consequently, if a lease becomes VAT exempt, the landlord would be required to pay to the tax authorities the amount of VAT receivable under that lease that it had deducted when filing its VAT returns. Furthermore, the landlord would no longer be entitled to deduct input VAT incurred in respect of any costs related to the relevant property. This could therefore have an affect on the cashflows of the Borrowers. However, in these circumstances, it is common for the terms of the lease to require the lessee to pay such additional costs of the landlord.

Existing Occupational Leases

Form of leases

Occupational tenants under ROZ standard lease agreements are usually prohibited from assigning their rights in respect of the relevant occupational lease without the landlord's consent. However, whilst it may be reasonable for the relevant Borrower (as landlord) to refuse consent to assign where the proposed new tenant clearly cannot afford to pay the rent or perform the covenants, there is also a risk that it will be unable to withhold consent even in circumstances where the proposed new tenant will not be of a similar credit quality to that of the existing tenant.

The Borrowers have each given various covenants to occupational tenants. These include covenants to allow the occupational tenants the right to quiet enjoyment of the part of the property leased to them, to perform certain specified obligations and/or to provide certain specific services in relation to the relevant property and other covenants in relation to rent reviews and lease break clauses. These are on terms which are generally given in the Dutch commercial property market. However, there can be no assurance that market practice and/or the demands of prospective tenants over the life of the Notes will not require the relevant Borrower (as landlord) to comply with more onerous covenants or that tenant obligations will not significantly diminish to the extent that the value of, or the income derived from, the Properties may be adversely affected. In addition, a breach by the relevant Borrower of any of these covenants could give rise to a dispute with the tenant and the tenant may seek to withhold rental payments or terminate the relevant lease.

Occupational leases may contain covenants on the part of the tenant to keep the Properties open and trading during specific hours. Generally, the purpose of such covenants is to ensure that anchor stores in shopping centres and high streets are open and trading, as their closure could affect the footfall of surrounding shops/units, the landlord's ability to let surrounding shops/units and what the landlord can achieve by way of

rents on rent review and lease renewal of such shops/units. Such covenants may not be able to be specifically enforced by a landlord, although a landlord can seek and receive damages for breach of the covenant. There is therefore a risk that if tenants breach these covenants, the footfall may be reduced which could have an effect on the rental income and the value of such Properties.

Leasing parameters

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

In addition, certain lease agreements in respect of the Properties may be short-term, fully inclusive leases, under which the tenants are required to pay fully inclusive rental payment, which covers, *inter alia*, a service charge element. The tenant must in addition pay a proportion of the relevant Borrower's insurance costs. If service costs were to increase, those tenants who rent units under such fully inclusive leases would not be required to contribute to the higher services costs. However, these fully inclusive leases do not form a large proportion of the aggregate gross rents of the Properties and are, in any case, generally let on short terms. In addition, the tenant must pay water and general rates (or a fair proportion thereof) to the relevant Borrower in addition to the inclusive figures.

Condition of the Properties

The age, construction, quality and design of a particular property may affect its occupancy levels as well as the rents that may be charged for individual leases. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements needed to maintain the property. Even good construction will deteriorate over time if the property managers do not schedule and perform adequate maintenance in a timely fashion. If, during the term of a Loan, competing properties of a similar type are built in the areas where the Properties are located or similar properties in the vicinity of the Properties are substantially updated and refurbished, the value and rental income of such Properties could be reduced. There is therefore a risk that these and other factors may mean that the Properties are not able to generate sufficient income to make full and timely payments on that Loan.

Environmental matters

Certain existing environmental legislation imposes liability for investigation or clean-up costs on the owner or occupier of contaminated land.

Under the Soil Protection Act (*Wet bodembescherming*), the owner (*eigenaar*) or leaseholder (*erfpachter*) of a severely contaminated site used for commercial purposes must clean up the soil if the authorities determine that urgent clean-up is necessary. If the ownership or leasehold is transferred, the obligation to clean-up remains with the former owner or leaseholder until the new owner or leaseholder puts up financial security for the clean up costs.

In addition, a commercial user of a property may be ordered to conduct a soil investigation, or to take temporary containment measures in the event of severe contamination. Furthermore, the owner or leaseholder of a contaminated property, or anyone who may have caused that contamination, may be ordered

to conduct an investigation. If the contamination is severe such person may also be ordered to draw up a clean-up plan, to clean up the property, or to take temporary containment measures. The relevant Borrower would therefore be primarily liable for the costs of any cleaning up any such contamination relating to the Properties.

If any environmental liability were to exist in respect of the Properties, neither the Issuer nor the Note Trustee should incur responsibility for such liability prior to foreclosure of the Loan Security, unless it could be established that the relevant party had entered into possession of the Properties or could be said to be in control of the Properties. Under Dutch law, a mortgagee is not considered to be an owner or a leaseholder. It is, however, possible that in certain exceptional circumstances (for instance, if the contamination is ongoing and the mortgagee exercises a significant degree of control or management over the use of the property) the mortgagee could be considered to be an commercial user and/or polluter. Therefore, the Facility Agent or the Issuer, could become responsible for environmental liabilities in respect of the Properties. The Facility Agent and the Issuer will, however, be indemnified against any such liability under the terms of the Loans, and amounts due in respect of any such indemnity will be payable in priority to payments to the relevant Lenders (including the Issuer).

The authorities may also conduct the investigation and clean-up operations themselves. The costs may then be recovered from the polluter or from any person(s) unjustifiably enriched (*ongerechtvaardigd verrijkt*) by those measures, to the extent of the enrichment. In the past, the government has indicated that it feels that a mortgagee may be enriched by clean-up operations conducted by such an authority. This suggests that it is possible that a mortgagee could be confronted with an unjustifiable enrichment recourse action to the extent that the mortgagee actually profits from the clean-up.

Under general Dutch civil law, the owner of a contaminated property has a duty to take measures to prevent the contamination spreading to any neighbouring land and must clean up any such neighbouring land if the contamination has spread to it owing to the neglect of said duty.

In addition, a tenant might be entitled to suspend its obligations to pay the rent to the owner or leaseholder if its quiet enjoyment under the relevant lease is disrupted as a result of the property being contaminated; this may have an effect on a Borrower's ability to service a Loan.

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

If any of the Properties have any risk of exposure to asbestos for human beings, the local authority may order the owner to have the asbestos removed in a controlled manner, or to take other action to mitigate the risks. This may involve a certain amount of demolition work, which will also result in additional costs and loss of income for the relevant Borrower.

Planning and Zoning Matters

The Borrowers have confirmed that the Properties owned by each of them have been constructed in accordance with relevant planning legislation and, as far as they are aware, there are no material breaches of planning control in respect of the Properties. In this regard, it should be noted that where tenants are in breach of planning obligations or conditions, they would be required under the terms of their occupational lease to take responsibility for such breach. Failure to comply with planning obligations or conditions could give rise to planning enforcement or other compliance action by the relevant planning authority.

A building permit is required for construction of new buildings and alterations to existing buildings. No permit is required for regular maintenance. Issuance of a building permit requires that the proposed construction complies with the applicable zoning plan, or that an exemption from the zoning plan has been obtained. Construction works must be in accordance with the requirements and conditions of the permit, which may include the requirement to clean up the property. The municipality may require the owner to alter the property, if the construction violates the conditions of the building permit.

There may be a number of ongoing planning obligations or restrictions relating to certain elements of the Properties.

No due diligence has been carried out with respect to planning and zoning matters but each of the Borrowers represents, *inter alia*, that it has obtained all planning and zoning authorisations required to carry on its business as it is being conducted at the Closing Date in all material respects and that there are no material breaches of any such planning or zoning authorisations in the Loans.

Insurance

Non-vitiation

There is a risk that cover under an insurance policy could be cancelled or the policy could be voided as a result of a misrepresentation or non-disclosure of information, a non payment of insurance premium or any other breach of the insurance policy by any of the co-insured parties, including a Borrower. It is common in many jurisdictions to include a provision that the relevant insurance companies would not terminate or void the insurance policy in such circumstances. However, this type of "non-vitiation" provision is not generally available in the Netherlands and it is therefore possible that the general insurance could be voided or terminated.

Creditworthiness

Each of the Borrowers is relying on the creditworthiness of the insurers providing insurance with respect to the Properties and the continuing availability of insurance to cover the required risks, in respect of neither of which assurances can be made. However, under the terms of the Finance Documents, each Borrower will be required to maintain insurance policies with an insurance company or underwriter that has a required credit rating or is approved by the Facility Agent.

If any insurance company is not able to meet its obligations under an insurance policy, e.g. in case it is declared bankrupt or has become subject to emergency regulations, this could result in the amounts payable under that insurance policy either not, or only partly, being available to the relevant Borrower which may have an effect on a Borrower's ability to make payments under the relevant Loan and ultimately the Issuer's ability to make payments under the Notes.

Uninsured losses

Although the Finance Documents require each Property to be insured at appropriate levels and against the usual risks, there can be no assurance that any loss incurred will be of a type covered by such insurance and will not exceed the limits of such insurance. There are, for instance, certain types of losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination and heave or settling of structures which may be or become either uninsurable or not insurable at economically viable rates or which for other reasons are not covered, or required to be covered, by the required Insurance Policies. A Borrower's ability to repay the relevant Loan (and, consequently, the Issuer's ability to make payments on the Notes) might be affected adversely if such an uninsured or uninsurable loss were to occur. Insurance cover for acts of terrorism is not readily available in the Dutch insurance market and the cost of such insurance on foreign insurance markets is very high. However, insurance companies in the Netherlands have set up the

Netherlands Reinsurance Companies for Losses from Terrorism (*Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V.*) under which insurance companies have agreed to provide insurance cover in respect of terrorist acts. The insurance companies have agreed that the maximum amount available to be paid out in respect of claims relating to acts of terrorism under such insurance cover is one billion euros per year although a claim by any individual policyholder or in respect of any individual insured location may not exceed €75 million per year.

Should an uninsured loss or a loss in excess of insured limits occur at a Property, a Borrower could suffer disruption of income from the relevant Property, potentially for an extended period of time, while remaining responsible for any financial obligations relating to that Property. There is a risk that a Borrower's ability to repay the relevant Loan and, consequently, the Issuer's ability to make payments on the Notes would be adversely affected if such an uninsured or uninsurable loss were to occur.

D. Considerations relating to German Property Law

Leasing of residential property in Germany

Rent restrictions

The residential units contained in the Properties are subject to certain laws and regulations relating to subsidised residential properties which impose certain restrictions on the landlord in respect of rent (*Mietpreisbindungen*) and permissible tenants (*Belegungsbindungen*). The Properties are no longer subsidised residential properties but the restrictions on the amount of rent which can be charged still apply to all of the residential units. These restrictions will eventually expire over time (the restrictions start to expire in 2008 and by 2013 all of the restrictions will have expired). After expiry, the Properties will be regulated as described below.

Rent in respect of unsubsidised properties may generally be increased where (i) the rent has not changed for 15 months, and (ii) the increase does not exceed the local comparative rent (*ortsübliche Vergleichsmiete*). Increases must be justified in writing in the form set out under Section 558(a) of the German Civil Code by reference to any of the following:

(a) the local rental table (*Mietspiegel*), where available;

(b) comparable examples taken from a rent database (*Mietdatenbank*) which is maintained by the relevant local authority or representative organisation of landlords and tenants and contains a collection of rents for the purposes of calculating the local comparative rent;

(c) the opinion of a publicly appointed expert setting out the basis for the increase; or

(d) three comparable properties selected by the landlord.

The rate of increase is capped at 20 per cent. over three years. If the landlord decides to increase rent by an amount not exceeding the local comparative rent, he must send an increase demand (*Mieterhöhungsverlangen*) to the tenant thereby requesting the tenant’s consent to the increase. If the tenant consents to the rent increase, the tenant must pay the increased rent from the beginning of the third month after receipt of the increase demand. If the tenant does not consent to the rent increase within two months after receipt of the increase demand, the landlord may bring a claim against the tenant to consent to the increase. The claim must be brought within three months of the tenant’s refusal to pay the increased rent. Excessive rent charges carry the following penalties:

(a) if rent charged is more than 20 per cent. higher than the local comparative rent (*ortsübliche Vergleichsmiete*) a landlord could face a fine of up to €50,000;

(b) if rent charged is more than 50 per cent. higher than the local comparative rent and the landlord has the intention of exploiting the situation of the tenant, for example, illness of the tenant or the tenant's ignorance of local comparative rent, by charging such a rent, a landlord could face three years' imprisonment or a fine, or in particularly severe cases, imprisonment between six months and ten years; and

(c) excess rent may have to be repaid by the landlord.

It is also possible to create rental contracts whereby rent increases are built in from the start, either according to a staggered increase agreement (*Staffelmietvertrag*) or indexed to the consumer price index (*Preisindex für Lebenshaltung aller privaten Haushalte*) in Germany calculated by the Federal Statistical Office (*Statistisches Bundesamt*) (*Indexmietvertrag*). An increase by reference to the consumer price index must be justified in writing to the tenant and the correlation between the change in the consumer price index and the rental increase must be demonstrated. The increased rent must be paid from the beginning of the second month following notification of such increase to the tenant. In all cases where rent is increased, it must remain unchanged for a year from the date of the increase.

Obligation to provide services

The level of rent payable by tenants under the leases may differ, but the overall level of rent payable by all tenants is normally set at a level which is intended to ensure that the landlord recovers from the tenants (taken as a whole) substantially all of the service costs associated with the management and operation of the relevant properties to the extent that the landlord itself does not itself make a contribution to those costs.

However, there are some items of expenditure which the landlord is not entitled to recover from the tenants, for example, the cost of repairing any defects which were inherent in the properties at the start of a lease, the cost of any rebuilding (as opposed to repair) work at the properties and the costs associated with any major improvements or refurbishments of the properties. Furthermore, parts of the properties are not intended to be let to tenants and comprise areas such as service ways, public arcades and other communal areas which are used by tenants and visitors to each Property collectively, rather than being attributable to one particular unit or tenant of such Property (**Common Parts**). Even where a lease contains a provision for a tenant to make a contribution towards the cost of maintaining the Common Parts, the liability of the landlord to provide the relevant services, however, is generally not conditional upon all such contributions being made, and consequently, any failure by any tenant to pay the service charge contribution, where applicable, on the relevant due date or at all would oblige the landlord to provide for the shortfall from its own monies. The landlord would (subject to certain exceptions) also need to pay from its own monies service charge contributions in respect of any vacant units, which would reduce amounts available to make payments on the Notes.

Lease termination rights under the German Civil Code

Regular landlord termination with notice (Ordentliche Kündigung)

Pursuant to the German Civil Code, a landlord must have a legal interest (*berechtigtes Interesse*) to terminate a lease. Legally acceptable reasons include, *inter alia*, the following:

(a) the tenant is substantially in breach of obligations under the lease;

(b) the landlord needs the unit for his own use or for the use of family or household members; or

(c) the landlord cannot make full economic use of the unit and would therefore suffer substantial loss if the lease were to continue; the mere possibility either to realise a higher rent by renting to another tenant, or to realise a profit from a sale of the relevant property in respect of a transformation of the

property into a residential property unit (*Wohnungseigentum*) does not, however, suffice to justify a termination.

When the landlord does not have the right to terminate the lease immediately, as discussed below, notice periods for landlord termination are substantial and depend on how long the tenant has occupied the property. For instance, if the tenant has occupied the property for up to five years, three months' notice will be required. If the tenant has occupied the property for five to eight years, six months' notice will be required. Finally, if the tenant has occupied the property for eight years or more, nine months' notice must be given.

Immediate landlord termination without notice (Außerordentliche Kündigung)

Pursuant to the German Civil Code, landlords can terminate a lease immediately under certain circumstances if the particular facts of the case (in particular default in respect of the lease) are such that the landlord cannot reasonably be expected to allow the lease to continue, namely if:

(a) the tenant materially endangers the unit by neglecting his duties of care, for example if the tenant continually and materially disturbs the peace in the building;

(b) the tenant allows a third party to use the unit without permission; or

(c) the tenant fails to pay rent for two successive periods in an aggregate amount equal to at least one month's rent, or fails to pay rent for more than two successive periods in an aggregate amount equal to at least two month's rent;

Tenant termination

Pursuant to the German Civil Code, tenants can terminate at any time subject to the standard notice period of three months regardless of the reason for termination, except in certain exceptional circumstances where longer termination periods may apply. However, in the case of leases containing staggered rent increases, the landlord may exclude the tenant's right to termination within the standard notice period for up to four years.

Notice periods can be shortened under the following special circumstances:

(a) rent is increased after the above-mentioned modernisation; or

(b) rent is increased to the local comparative rent (*ortsübliche Vergleichsmiete*).

Tenants may terminate immediately under special circumstances, for example, if accommodation becomes hazardous to health or the landlord fails in his responsibilities (for instance, if rent is increased beyond the permissible level or part of the building is illegally converted to commercial use). If the tenant can successfully demonstrate special circumstances warranting immediate termination, such right to immediate termination cannot be excluded in any case.

Termination prevented due to hardship

Even in situations where a landlord has a legally valid reason for terminating a lease, the landlord may be prohibited from doing so where the relevant tenant can argue that a termination would inflict undue hardship on him under Section 574 of the German Civil Code. This section, known as the social clause (*Sozialklausel*), provides that a tenant may object to the termination of the lease where moving out would cause the tenant greater hardship than his staying would cause the landlord, for instance, where the tenant is very old or pregnant, suffers a serious illness or where there is no alternative comparable

accommodation available. The social clause may not, however, be invoked in situations where the landlord is entitled to terminate the lease immediately without notice as described above.

Expropriation

In Germany, property may be expropriated (*enteignet*) in connection with the fulfilment of public tasks, such as redevelopment or infrastructure projects. An expropriation must be based on a specific aim and must be indispensable for the general public welfare (*Allgemeinwohl*). In connection with an expropriation (*Enteignung*), adequate compensation must be paid to the owner of the property in the amount of the open market value (*Verkehrswert*). Generally, the compensation will be paid in money; however, in some cases the owner can be provided with alternative property or securities as compensation.

In the event of an expropriation of a Property, tenants would cease to be obliged to make any further rental payments to the relevant Borrower and/or assignees of the rent receivables under the relevant leases. The risk for Noteholders is that either the amount received by way of compensation for the expropriation of the relevant Property or any other compensation may be less than the relevant principal amount outstanding under the relevant Loans. In the event of an expropriation of a Property, the amount of the compensation could lead to a shortfall in funds available to meet the payments due under the Notes, and consequently the Noteholders may suffer a loss. Such a purchase might also constitute a Loan Event of Default and lead to an acceleration of the Loans.

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

The Issuer is not aware of any expropriation notice having been issued by any public entity relating to the Properties.

Condition of the Properties

The age, construction, quality and design of a particular property may affect its occupancy levels as well as the rents that may be charged for individual leases. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements needed to maintain the property. Even good construction will deteriorate over time if the Managing Agents do not schedule and perform adequate maintenance in a timely fashion. If this is the case, there is a risk that the value of the Properties may be affected.

Environmental matters

Under current German law, the rules on rehabilitating contaminated sites are contained primarily in the Federal Soil Protection Act (*Bundesbodenschutzgesetz*). The class of persons under a duty of rehabilitation in respect of a particular property is wide and includes (a) any person who caused harmful change to the soil (*Handlungsstörer*) and such person's universal successor (*Gesamtrechtsnachfolger*); (b) the owner of the property and, under certain conditions, the former owner; and (c) the party exercising actual control over the property (*Zustandsstörer*). Any of such persons can be held liable by the competent public authorities for investigation measures, clean-up work or clean-up costs.

The selection of the person responsible for investigation measures, clean-up work or clean-up costs in respect of a property is in principle a matter for the discretion of the public authority. The relevant authority, in selecting the responsible person, must be guided by the greatest possible effectiveness of the resulting work. An obligation to investigate or clean up a site relies upon the relevant authority issuing an order. If no

voluntary action is taken the authority is empowered to compel the execution of measures subject to the aforementioned order.

A mortgagee under a mortgage over contaminated property is not liable for costs attached to investigations or clean-up of a property prior to enforcement of the mortgage. Moreover under current German law, the mortgagee does not take possession of a property upon enforcement of the mortgage and it is generally considered unlikely that a mortgagee would incur a liability comparable to a mortgagee in possession under English law, for example. However, if the public authority has cleaned up a Property instead of the Borrower and has unpaid expenses, such expenses, in enforcement, might rank ahead of the Issuer's claim.

Any environmental surveys, monitoring, clean-up or decontamination costs, if imposed on a Borrower, could affect its ability to service its obligations under a Loan Agreement. When such measures or their costs are imposed on a tenant this might affect its ability to pay rent to the Borrower, thereby indirectly affecting the Borrower's ability to service its obligations under the Loans. It might also adversely affect the value of the related Property and consequently the security granted in respect of such Property by the Borrower.

Furthermore, a tenant might be entitled to suspend or reduce its obligations to pay the rent if its quiet enjoyment under a lease is disrupted as a consequence of contaminated property. This may affect the Borrower's ability to service its obligations under the Loans.

None of the Originator, the Issuer or the Note Trustee have appointed an independent expert to carry out any due diligence with respect to environmental matters at the Properties. However, the Originator has made enquiries with the local authorities who have confirmed that, as at the date of acquisition of each of the Properties, as far as they were aware none of the Properties were subject to any environmental contamination and, in addition, the Borrowers have made various representations in the Loan Agreements regarding environmental matters.

Planning and Zoning Matters

The Borrowers have confirmed that the Properties have been constructed in accordance with relevant planning legislation and, as far as they are aware, there are no material breaches of planning control in respect of the Properties. In this regard, it should be noted that where tenants are in breach of planning obligations or conditions, they would be required under the terms of their lease to take responsibility for such breach. Failure to comply with planning obligations or conditions could give rise to planning enforcement or other compliance action by the relevant planning authority.

A building permit is required for construction of new buildings and alterations to existing buildings. No permit is required for regular maintenance. Issuance of a building permit requires that the proposed construction complies with the applicable zoning plan, or that an exemption from the zoning plan has been obtained. Construction works must be in accordance with the requirements and conditions of the permit, which may include the requirement to clean up the property. The municipality may require the owner to alter the property, if the construction violates the conditions of the building permit.

There may be a number of ongoing planning obligations or restrictions relating to certain elements of the Properties. As far as the Issuer is aware, no such obligations or restrictions which would impede the planned use of the Properties exist as at the date of this Offering Circular.

None of the Originator, the Issuer or the Note Trustee have appointed an independent expert to carry out any due diligence with respect to planning and zoning matters but the Borrowers have represented, *inter alia*, that the buildings on each Property have been constructed, operated and maintained in accordance with applicable planning and zoning laws.

Insurance

Non-Vitiation

There is a risk that cover under an insurance policy could be cancelled or the policy could be voided as a result of a misrepresentation or non-disclosure of information, a non payment of insurance premium or any other breach of the insurance policy by any of the co-insured parties, including a Borrower. It is common in many jurisdictions to include a provision that the relevant insurance companies would not terminate or void the insurance policy in such circumstances. However, this type of "non-vitiation" provision is not generally available in Germany and it is therefore possible that the general insurance could be voided or terminated.

Creditworthiness

The Borrowers are relying on the creditworthiness of the insurers providing insurance with respect to the Properties and the continuing availability of insurance to cover the required risks, in respect of neither of which assurances can be made. However, under the terms of the Finance Documents, each Borrower will be required to maintain insurance policies with an insurance company or underwriter that has a required credit rating or is approved by the Facility Agent.

If any insurance company is not able to meet its obligations under an insurance policy, e.g. in case it is declared bankrupt or has become subject to emergency regulations, this could result in the amounts payable under that insurance policy either not, or only partly, being available to the Borrower which may have an effect on the Borrower's ability to make payments under a Loan Agreement and ultimately the Issuer's ability to make payments under the Notes.

Uninsured losses

Although the Finance Documents require each Property to be insured at appropriate levels and against the usual risks (see *Loan Documentation and Security – Insurance Requirements*), there can be no assurance that any loss incurred will be of a type covered by such insurance and will not exceed the limits of such insurance. There are, for instance, certain types of losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination and heave or settling of structures which may be or become either uninsurable or not insurable at economically viable rates or which for other reasons are not covered, or required to be covered, by the required insurance policies. The Borrower's ability to repay the Loans (and, consequently, the Issuer's ability to make payments on the Notes) might be affected adversely if such an uninsured or uninsurable loss were to occur.

Should an uninsured loss or a loss in excess of insured limits occur at a Property, the Borrower could suffer disruption of income from the Property, potentially for an extended period of time, while remaining responsible for any financial obligations relating to the Property. There is a risk that the Borrower's ability to repay the Loans and, consequently, the Issuer's ability to make payments on the Notes would be adversely affected if such an uninsured or uninsurable loss were to occur.

Reconstruction risk

Pursuant to each Loan Agreement proceeds of any insurance policy in respect of physical damage to a Property may only be used for the purpose of replacing or restoring such Property if required pursuant to the terms of a lease or insurance policy and are otherwise required to be used to prepay the Loans. However, the Borrower is under no obligation to rebuild any Property unless required by the terms of an insurance policy.

Following any damage to or destruction of all or part of a Property, the Borrower may be obliged pursuant to the terms of its leases or insurance policies, to rebuild, replace or restore the relevant damaged Property. Tenants may have the right to terminate their leases if the Borrower elects not to reconstruct the premises. If

the tenant cannot use the premises as a result of the damage or destruction and the lease has not been terminated, the obligation to pay rent is abated in proportion to the lack of use. After reconstruction, rent obligations resume. According to German law, a tenant is entitled to terminate a lease for good cause if the premises are destroyed. It is uncertain, however, whether an exclusion of such statutory right is, or could be, effectively included in the lease contracts.

The insurance against loss of rent will cover losses incurred during the period of rent abatement, although there could be administrative delay in obtaining payment by the insurers which could affect the ability of the Borrower, and accordingly the Issuer, to meet their respective payment obligations. During that period of delay, the Issuer may be able to make a drawing under the Liquidity Facility.

The period of recovery in respect of loss of rental value under the insurance policies will be limited to a period comprising both (a) the period during which the damaged property could, with due diligence, have been rebuilt, repaired or replaced, and (b) an additional period, being that required to restore the Borrower's business to the condition that would otherwise have existed, such period commencing from the later of (i) the date on which the insurers' liability would otherwise terminate and (ii) the date on which the damaged property is actually rebuilt, repaired or replaced, such additional period being, in any event limited to 18 months from the later of (i) and (ii). Although each relevant tenant will, again, be liable for the rent if the relevant lease subsists after that period, it is likely that a tenant so affected would exercise any rights it may have to terminate its lease. Thus, after the expiry of the period referred to above, the Borrower could cease to be entitled to both the rental income from part of the relevant Property and further loss of rent insurance. Furthermore, there are limits on the amounts payable by insurers, and consequently, the proceeds of the insurance taken out by the Borrower (which will cover the costs of reinstatement) may not be sufficient to pay, in full, all the amounts due from the Borrower under the relevant Loan Agreement and, hence, the Notes.

None of the Originator, the Issuer or the Note Trustee have appointed an insurance broker to confirm the sufficiency of the Borrowers' insurance or as to the amount of any limits or deductibles contained in such insurance policies. The Originator has, however, reviewed the policies to check that as at the date of this Offering Circular the terms were consistent with the requirements set out in the relevant Loan Agreements (see *Loan Documentation and Security – Insurance Requirements*).

Management of the Properties

The net cashflow realised from and/or the residual value of the Properties may be affected by management decisions. The Managing Agents have broad decision-making rights under the Property Management Agreements. In particular, the Managing Agents are, subject to certain general restrictions, responsible for finding new tenants on the expiry of existing tenancies (and their replacements). There can be no assurance that the Managing Agents' decisions or those of future managing agents will not adversely affect the value and/or cashflows of the relevant Property. There can be no assurance that, were a Managing Agent to resign or its appointment be terminated, a suitable replacement property manager could be found in a timely manner, and engaged on terms acceptable to the relevant Agent.

Operating costs in relation to the management of the property includes items such as maintenance costs, advertising costs and insurance costs. There is a risk that fluctuations in such costs could affect the Relevant Borrower's ability to make payments under the relevant Loan Agreement.

Property Values and Limitations of Valuations

Property investments are subject to varying degrees of risk. Rental revenues and property values are affected by changes in the general economic climate and local conditions such as an oversupply of space or a reduction in demand for properties in an area. Property values are also affected by such factors as political

developments, governmental regulations, changes in planning or tax laws, interest rate levels, inflation, the availability of financing and yields of alternative investments. Property values are sensitive to such factors which can sometimes result in rapid and substantial decreases in market rental and valuation levels. Any such decline may adversely affect the ability of a Borrower to meet its obligations under the relevant Loan Agreement.

The Summary Valuations of the Properties which is reproduced in *Appendix B* – Summary *Valuations* may only be relied on by the persons to whom they are addressed.

The Valuations were performed by publicly appointed and sworn valuers. In general, valuations represent the analysis and opinion of qualified valuers and are not guarantees of present or future value. One valuer may reach a different conclusion than the conclusion in relation to a property that would be reached if a different valuer were appraising such property. 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 equal or exceed a Valuation. As the market value of the Properties fluctuates, there can be no assurance that the market value will be equal to or greater than the unpaid principal and accrued interest and any other amounts due under a Loan Agreement and therefore such amounts due under the Notes. If any Property is sold following a Loan 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 relevant Loan Agreement and therefore such amounts due under the Notes. No ready market may exist for the sale of specialised properties. Each Valuation is based on certain assumptions and reservations made by the Valuer.

E. Considerations relating to security

Parallel creditorship under German law

Under German law, "accessory" security rights (*akzessorische Sicherungsrechte*), especially pledges (*Pfandrechte*) cannot validly be created in favour of a party which is not the creditor of the claim which the security right purports to secure. Therefore it is usual for the relevant debtors (in this case, the Obligors and the Issuer) and the secured parties (in this case the Finance Parties as creditors of the Obligors and the Issuer Security Beneficiaries as creditors of the Issuer) to agree that the holder of the security (in this case the Agent with respect to the Loan Security and the Note Trustee with respect to the Issuer Security) shall be the parallel creditor (together with the other secured parties) of each and every payment obligation of the relevant debtors (i.e. the relevant Obligors and the Issuer) towards the relevant creditors and that accordingly the holder of the security will have its own independent right to demand performance by the debtor of those obligations. However, in each case, any discharge of any such obligation to the holder of the security or to a creditor shall, to the same extent, discharge the corresponding obligation owing to the other.

In addition, under the German law security trust agreement entered into by the Obligors and the Issuer, the Obligors and the Issuer give an abstract acknowledgement of indebtedness (*abstraktes Schuldanerkenntnis*) to the Agent (in the case of the Obligors) and the Note Trustee (in the case of the Issuer) as security trustee (who is permitted to assign the relevant claims) for the relevant creditors, in each case covering the aggregate of all amounts owed to the relevant creditors under the Finance Documents or the Transaction Documents (as the case may be), at any time.

German Security

Registration of Mortgages

While the Originator has received notarial confirmations that the mortgages have been duly filed and that there are no obstacles to their lawful registration in the first rank other than the payment of the statutory register costs, a number of mortgages will probably not yet be registered on the Closing Date. The Originator does not assume responsibility for any mistake or delay by the respective German land registers.

Enforcement of Mortgages under German law

Enforcement of the Mortgages will be carried out by the Agent or any representative or legal counsel that the Agent in its discretion may from time to time appoint in accordance with the German Compulsory Auction and Compulsory Administration of Immoveable Property Act (*Gesetz über die Zwangsversteigerung und Zwangsverwaltung*, the **ZVG**). The ZVG provides for two different types of enforcement of the Mortgages:

(a) compulsory sale of the relevant Properties; or

(b) compulsory administration of the relevant Properties.

Compulsory Sale

In the case of a compulsory sale, the court will effect a public auction of the relevant Property. The organisation of such auction and the sale of the relevant Property may take a considerable amount of time (likely to be more than one year and, depending upon the workload of the court, possibly significantly longer, especially if an insolvency administrator should request a suspension of the sale). If the highest bid at the auction is not at least 70 per cent. of the market value estimated by the court of the property, any person who has an interest in the outcome of the decision (*Berechtigte*) and is a person ranking behind the most senior enforcing creditor with claims that would not be fully satisfied after the distribution of the proceeds, may require the court not to sell the Property to the relevant bidder (§ 74a ZVG). The enforcing creditor may oppose such request by providing *prima facie* evidence that the non-acceptance of the bid would cause the creditor an unreasonable disadvantage. In no event may the court dispose of the Property if the highest bid in the auction does not reach 50 per cent of the estimated value of the Property (§ 85a ZVG). If a second auction is necessary because the highest bid was too low, the highest bid in such further auction does not need to meet any threshold with regard to the estimated value of the Property. The leases relating to the Property will continue during the enforcement procedure. Only the acquirer of the Property has a right to terminate all or any of the leases, provided that contractual or statutory termination rights are applicable.

Under the Mortgages, the Obligor has accepted liability in the amount of each Mortgage and has, in that respect, agreed to an immediate enforcement against any of its assets. Accordingly, the Agent may attach any other asset of the Obligor without having to obtain an executory title by way of court proceedings.

If the Mortgages are enforced and all or a part of the Property is sold, the net proceeds of sale (after payment of enforcement costs and expenses payable in connection therewith) will, together with any amount payable to the Borrower on any related insurance contracts (to the extent such amounts may be applied in repayment of the relevant Loans), be applied against the sums owing by a Borrower under a Loan Agreement to the extent necessary.

Compulsory Administration

In a compulsory administration (*Zwangsverwaltung*), which can be started immediately after attachment (*Beschlagnahme*) of a Property, the court will appoint an administrator for the relevant Property (*Zwangsverwalter*) to administer such Property on behalf of the enforcing creditors. The administrator alone is entitled to receive all income generated from such Property, including all rents and insurance claims. The right of the administrator to collect rents takes priority over all other rights to the rent stream. The administrator, subject to the supervision of the court, passes the collected monies on to the enforcing

creditors after deducting ongoing costs and enforcement costs calculated in accordance with the Compulsory Administrator Remuneration Act (*Zwangsverwalterverordnung*).

The enforcing creditor will receive the interest payments and a certain amortisation of its principal after payment of ongoing costs for the administration of the property and maintenance of the Property and ongoing public charges relating to the property.

Proceeds of a compulsory sale or compulsory administration

The proceeds of a compulsory sale or a compulsory administration will be used to pay the claims described in paragraphs (a) to (i) below by allocating them to classes in the order set out below. Creditors whose claims fall within a certain class will only be paid upon satisfaction in full of the claims of creditors falling within higher classes.

(a) Class 1 a: In the event of a compulsory administration the enforcing creditor's expense claims in relation to maintenance or necessary improvement of the property (in the case of compulsory sale such claims will only be satisfied if (i) the compulsory administration continues until adjudication of the property pursuant to the public auction and (ii) the maintenance costs cannot be covered from the administration of the property).

(b) Class 1 b: In the event of a compulsory sale where insolvency proceedings have been opened over the debtor's estate the costs for determination of the movable assets which are included in the public auction, a flat fee of 4 per cent. of the value of such movable assets will be payable to the insolvency administrator.

(c) Class 2: Certain costs relating to land used for agricultural or forestry purposes.

(d) Class 3: Public charges on the property for any arrears in the last four years. However, periodic charges (*wiederkehrende Leistungen*), such as real property tax, interest, extra-charges, annuities, and certain other claims are in this rank only for ongoing claims and arrears for the last two years.

(e) Class 4: Claims resulting from rights relating to the property (for example mortgages), but only to the extent they have not become ineffective vis-à-vis the enforcing creditor as a consequence of the attachment of the property, including all claims resulting from such amounts which are payable for a gradual repayment of a debt as an extra charge on the interest payments. Claims resulting from periodic charges, for example, interest, extra charges, administrative costs, annuities are in this class only for ongoing claims and arrears for the last two years.

(f) Class 5: The enforcing creditor's claims to the extent they will not be satisfied in one of the above Classes.

(g) Class 6: The rights relating to the property to the extent they have become ineffective vis-à-vis the enforcing creditor as a consequence of the attachment of the property.

(h) Class 7: The claims of the third class for any arrears not covered thereunder.

(i) Class 8: The claims of the fourth class for any arrears not covered thereunder.

In a compulsory sale of a Property (including an enforcement of the Mortgages by compulsory sale), the Agent will rank in Class 4, but claims of the Agent resulting from periodic charges (especially claims for interest, extra charges, administrative costs, annuities) will be in this class only for ongoing claims and arrears for the preceding two years. Therefore, creditors falling into classes 1 to 3 (if any) must be fully

satisfied out of the proceeds of the compulsory sale or compulsory administration before amounts can be paid to satisfy the relevant Borrowers' secured obligations to the Finance Parties.

In the event of a compulsory administration the same rule applies. However, in such case, prior to distributing (in the above order) the proceeds resulting from the usage of the property, the costs of administration and enforcement proceedings will be deducted. Pursuant to Section 155 (2) ZVG, in the event of a compulsory administration only current periodic charges will rank in class 4. Arrears and principal will rank in class 5.

The right to satisfy claims secured by the relevant Mortgage also includes the re-disbursal of costs triggered by the termination of the relevant Mortgage (but does not include costs for acceleration of the claims) and the legal costs. In principle, the claims within each class rank *pari passu* amongst themselves; however, satisfaction of the claims in the classes 4, 6 and 8 will occur in the order in which such claims rank amongst themselves. The claims ranking in class 5 will be satisfied in accordance with the order in which the property has been attached. Any claim will be satisfied in the following order: (i) costs, (ii) periodic charges and other additional charges, (iii) principal.

The rights relating to the relevant Property in class 4 are such rights which are registered in the land register relating to the relevant Property. A creditor secured by a mortgage forms part of such class. In the case of a compulsory sale, it will be satisfied in such class, to the extent its claim is covered by the nominal value of the relevant Mortgage plus interest for the last two years. Depending on the due dates for interest up to three years of interest may effectively be covered. In the case of a compulsory administration, the rules explained above apply. If the creditor secured by the relevant Mortgage applies for a compulsory sale of the property, all rights ranking prior to such creditor will continue to be registered after a compulsory sale, whilst all rights ranking below the creditor will be deleted and satisfied with their claims from the enforcement proceeds after the creditor secured by the relevant Mortgage.

Excessive Security under German law

Pursuant to the excessive security rules of German law, security which is excessive at the closing date of the Loans (*anfängliche Übersicherung*) will result in the relevant security arrangements being void. In the event of subsequent excessive security (*nachträgliche Übersicherung*), any portion of the collateral considered to be excessive would have to be released. Pursuant to the relevant court precedents, the liquidation value that can be expected to be realised in insolvency proceedings against the provider of the security would be relevant in determining if excessive security exists. No assurance can be given as to how a competent court would view the security structure of each Loan Agreement, in particular with regard to the Loan Security provided for in respect of the obligations of each Obligor under the relevant Loan Agreement. The security granted pursuant to the Finance Documents should not be deemed to be excessive because the security is sized according to the value of the Loans plus interest as well as anticipated costs and fees (including, among other things, anticipated enforcement costs), which is in line with commercial lending practices and are based on expected enforcement proceeds; however, no assurance can be given that the Loan Security will not be found to be excessive under the security rules of German law.

Dutch Security

Parallel Debt

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to ensure the valid creation of the security rights in favour of the Note Trustee, the Issuer has in the Issuer Security Agreements, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Note Trustee amounts equal to the amounts due by it to the Issuer Security Beneficiaries. Similarly, in the Loans,

each Borrower has as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Agent amounts equal to the amounts due by it to the Secured Parties. The parallel debt arrangements create a claim of the Note Trustee and the Security Agent (respectively) which can be validly secured by a security right such as the security rights established under the Issuer Security Agreements and the Borrower Security Agreements.

Third party security and guarantee

The security and guarantee granted by each relevant Obligor under the relevant Loan Agreement and the Borrower Security Agreements to which such Obligor is a party may also constitute security for third party debt. Under Dutch law, a company is not restricted from giving third party security provided that such company receives commensurate corporate benefit in giving the security. Whether there is a corporate benefit is a question of fact based on factors such as the creditworthiness of the relevant debtor, projected cashflows available to service the debt, the amount of the relevant security provider's assets compared to the total amount guaranteed or secured, the likelihood of a call under the guarantee or security, the use of the debt proceeds by the security provider, etc. To assist in this, it is market practice to ensure that the articles or other constitutional documents of the security provider specifically allow the security to be given for third parties and each Obligor has confirmed that this is the case in respect of its articles or constitutional documents (as the case may be).

In addition, the granting of a third party guarantee or security without corporate benefit may also be a breach of a director's duty to act in the interests of the relevant security provider. However, the risk of director liability is normally deemed acceptable provided that it is ensured that the directors when considering to grant the guarantee or security take into proper account the factors referred to above.

Limitations on security over future receivables

Under the Borrower Security Agreements, each Borrower has pledged present and future receivables. This will include a Dutch law pledge over all rent receivables, a Dutch law pledge of insurance proceeds and Dutch law pledges of receivables in respect of bank accounts (as applicable). However, under Dutch law (applicable to the Borrowers regardless of the governing law of the applicable Borrower Security Agreement), there are certain restrictions on the ability to pledge future assets. In particular, if a company is declared bankrupt (*failliet verklaard*) or is granted a moratorium of payments (*surséance van betaling*), certain future assets of that company will not form part of the security package but will form part of the bankrupt estate which is available to all creditors. This means that if the secured parties have any remaining claims after the proceeds of their other secured assets have been fully used, such claims will rank pari passu with all unsecured claims but behind the costs of bankruptcy and certain preferred claims for example tax claims. This is the case even if the amounts are paid into a bank account which is also pledged.

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

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

There is uncertainty under Dutch law as to whether a receivable under an insurance policy which becomes due and payable as a result of the occurrence of an event which is insured against under the insurance policy would also have to be qualified as a future asset that will only come into existence as at the time such event has occurred and a valid claim is made under the policy or as an existing receivable which has come into existence on the date the insurance policy is entered into, but is subject to the occurrence of such insured event and such valid claim under the policy having been made.

If it were to be qualified as a future receivable and such amounts become due and payable after the security provider's bankruptcy or moratorium of payments, it will not be subject to the rights of pledge established over these receivables as with any assets that are acquired or come into existence after bankruptcy or moratorium of payments of a Dutch entity. However, if it were to be qualified as an existing receivable it would automatically become subject to the rights of pledge established over these receivables, irrespective of whether the receivable became due and payable after or before the security provider's bankruptcy or moratorium of payments. The Issuer has been advised that this analysis also depends on the terms and conditions of the respective insurance policy itself over which receivables security is established and no such analysis has been carried out.

The above limitations also apply to any movable or immovable property or shares which may be acquired by a Borrower after it is declared bankrupt or is granted a moratorium of payments.

Foreclosure of Loan Security by Note Trustee

The Issuer's rights in the Dutch law governed Loan Agreements including the rights under the parallel debt undertaking contained in these Loan Agreements and consequently its rights with respect to the Loan Security in respect of these Loan Agreements have been pledged in favour of the Note Trustee (for the benefit of the Issued Secured Parties). No Dutch statutory provision exists as to whether the Note Trustee will be entitled to foreclose on the Loan Security in respect of these Loan Agreements. The generally accepted view is that security rights, such as the Loan Security, pass by operation of law to the relevant pledgee. However, one Dutch legal commentator has taken the contrary view, that such security rights would not pass by operation of law to the relevant pledgee.

Timing of enforcement

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

(a) a mandatory "cool-off" period of up to a maximum period of four months in respect of either a bankruptcy or a moratorium of payments (i.e. if a bankruptcy immediately follows a moratorium of payments, the maximum period will be eight months), which would delay the exercise of the security rights (although the right to collect any rights and receivables by the security holder would not be delayed or affected by this "cool-off" period); and

(b) the security holder may be obliged to enforce its security rights within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in case of bankruptcy of that company. However, if the security holder fails to take any such enforcement action within a reasonable period of time, the bankruptcy trustee may sell the assets himself in the manner provided for in the Dutch Bankruptcy Code. In this case, the security holder will still be entitled to any proceeds of such enforcement by preference but only after deduction of general bankruptcy costs and subject to the satisfaction of higher ranking claims of creditors.

The above limitations apply to both the Loan Security and the Issuer Security. All of the Borrowers (save the Berlin Borrower and the Schiphol Borrower) and the Issuer have been set up as bankruptcy remote entities

which would mean that the above limitations to the rights of pledge granted by it are unlikely to become relevant.

In addition, in respect of the foreclosure procedure of a right of mortgage over real property, the following timing limitations which cannot be waived, also apply. Notice of the foreclosure sale will have to be announced to the security provider and any other security holder. This notice has to be sent by a court bailiff, containing the proposed date of the sale, the amount of the outstanding secured obligations and the name of the notary which is organising the sale. There must be a period of 30 days between the proposed date of the sale and the date of the notice. In practice, this period will take 6 to 8 weeks. In this period, either the security holder or the security provider may request a Dutch preliminary relief judge to approve a private sale of the mortgaged property. If such request is rejected, a new date for the public foreclosure sale will have to be set within a period of 14 days.

Foreclosure process

Pledges over rights and receivables can be foreclosed upon under Dutch law by way of collection (*inning*) of the related payment directly from the account debtor.

Pledges over shares and moveable property and mortgages over real property must be foreclosed upon by way of a public auction (although a security holder can ask for the approval of the Dutch preliminary relief judge for a private sale to occur). A foreclosure of security rights on rights and receivables by way of a foreclosure sale is also possible but is not very common in the Netherlands.

Subject to the provisions in *Timing of enforcement* above, there are no legal timing constraints with regard to a public auction. Therefore, such sale can be organised at relatively short notice. However, if a security holder wishes to sell in a private sale, obtaining the consent of the preliminary relief judge could cause a delay.

In respect of rights of pledge over shares in a Dutch private limited liability company (*besloten vennootschap*), the articles of association of that company will have to contain a mandatory blocking clause in respect of a sale of the shares in its capital. This blocking clause would generally require the consent of the general meeting of shareholders for any transfer. However, a security holder, as provided by statute or in a company's articles of association will have the right to exercise these consent rights on behalf of the general meeting of shareholders.

Although there is broad support in Dutch legal literature that a conditional transfer of voting rights and any approval thereof by the general meeting of shareholders is valid and effective, this is not entirely certain as a result of Sections 2:198 and 2:195 of the Dutch Civil Code and the provision of Dutch law that any such approval granted for the transfer of voting rights is only valid for three months. There is therefore a risk that if a Loan Event of Default occurs, the Agent will not be able to exercise the voting rights of the shares in the capital of the Borrower. To mitigate this risk as much as possible, the Borrower will be obliged to do whatever is required to ensure that the Agent will have these voting rights and/or is able to exercise them in those circumstances. In this respect, the Borrower will, *inter alia*, be obliged to grant an irrevocable power of attorney to the Agent to exercise the voting rights on behalf of the Borrower in respect of all matters in those circumstances and not to exercise these voting rights in those circumstances itself or, if so elected by the Agent in its sole discretion, to only exercise these voting rights in those circumstances in accordance with the Agent's instructions. Neither of these arrangements are, however, bankruptcy proof. A power of attorney, whether irrevocable or not, will automatically terminate upon the bankruptcy or moratorium of payments of its grantor and under Dutch bankruptcy law a creditor does not have a claim for specific performance against the bankruptcy trustee (e.g. to oblige the bankruptcy trustee to vote in accordance with somebody else's instructions).

In respect of a foreclosure sale of shares, Dutch securities laws and regulations may also apply.

F. General considerations

Risks relating to conflicts of interest

The potential for various conflicts of interest exists with respect to the Borrower, the Special Servicer, the Servicer, the Note Trustee, the Agent, the Managing Agent and the Bookrunners.

Originator and the Issuer

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

Servicer and the Special Servicer

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

The Servicing Agreement will require the Servicer and the Special Servicer to service the Loans in accordance with the Servicing Standard. Certain discretions are given to the Servicer and the Special Servicer in determining how and in what manner to proceed in relation to the Loans. Further, as the Servicer and the Special Servicer may each acquire Notes, either of them could, at any time, hold any or all of the most junior Class of Notes outstanding from time to time, and may have interests which conflict with the interests of the other holders of the most junior Class of Notes, or more Classes of Notes. However, the Servicer and the Special Servicer will be required under the Servicing Agreement to act in the best interests of all of the Noteholders.

Conflicts between the Operating Adviser and the Noteholders

The Operating Adviser may have special relationships and interests that conflict with those of the holders of one or more Classes of the Notes. The Operating Adviser will not have any duties to any Noteholders other than the Controlling Class and the Operating Adviser may take actions that favour the interests of the Controlling Class over the interests of the other Noteholders. The Operating Adviser will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class and the Operating Adviser will have no liability whatsoever for having acted solely in the interests of the Controlling Class, and no holder of any other class of Notes may take any action whatsoever against the Operating Adviser for having so acted.

NIBC

NIBC will act in various roles as the Originator, a Bookrunner, the Servicer, the Issuer Swap Counterparty, and a Borrower Swap Counterparty. There is a potential for a conflict of interest in that it may act in its own interests rather than in the interests of the Noteholders although, in its capacity as the Servicer, it will be required under the Servicing Agreement to act in the best interests of all of the Noteholders in accordance with the Servicing Standard.

Related Parties May Purchase Notes

Related parties, including the Servicer, the Special Servicer or Affiliates of the Borrowers may purchase all or part of one or more Classes of Notes. A purchase by the Servicer or the Special Servicer, as the case may be, could cause a conflict between such entity's duties pursuant to the Servicing Agreement and its interest as a holder of a Note, especially to the extent that certain actions or events have a disproportionate effect on one or more Classes of Notes. The Servicing Agreement provides that the Loans are required to be administered in accordance with the Servicing Standard without regard to ownership of any Note by the Servicer, the Special Servicer or any affiliate thereof.

Reliance on warranties

Neither the Issuer nor the Note Trustee has independently undertaken or will undertake any due diligence, investigations, searches or other actions as to the status of the Borrowers or the Properties as to the accuracy of the various representations given by the Borrowers in respect of the Loans, the Loan Security and related matters. The only due diligence that has been undertaken in relation to the Loans and the Properties is referred to below under *Loan Origination* and was undertaken in the context of and at the time of the entering into the relevant Loan Agreement. The Issuer and the Note Trustee will therefore rely on the representations and warranties to be given by the Obligors under the Finance Documents and on the representations and warranties of the Originator contained in the Loan Transfer Agreements.

European Union Directive on the Taxation of Savings Income

On 3rd June, 2003, the European Council of Economic and Finance Ministers adopted a Directive on the taxation of savings income. Under the Directive Member States will (if equivalent measures have been introduced by certain non-EU countries) be required, from 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Implementation of Basel II risk-weighted asset framework

The Basel Committee on Banking Supervision published the text of the new capital accord on 26th June, 2004 under the title Basel II: International Convergence of Capital Management and Capital Standards: a Revised Framework (the **Framework**). This Framework will serve as the basis for national rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new Framework. The committee confirmed that it is currently intended that the various approaches under the Framework will be implemented in stages, some from year-end 2006; the most advanced at year-end 2007. If implemented in accordance with its current form, the Framework could affect risk weighting of the Notes in respect of certain investors if those investors are subject to the new Framework (or any legislative implementation thereof) following its implementation. Consequently,

investors should consult their own advisers as to the consequences to and effect on them of the proposed implementation of the new Framework. No predictions can be made as to the precise effects of potential changes which might result if the Framework were adopted in its current form.

Change of law

The structure of the issue of the Notes, the ratings which are to be assigned to them and the related transactions described in this Offering Circular are based on Dutch, German, Manx and English laws and administrative practice in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change to Dutch, German, Manx or English law or administrative practice 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.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons. The Issuer does not represent that the above statements regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Offering Circular may mitigate some of these risks for Noteholders, there can be no assurance that these elements will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

DESCRIPTION OF THE LOANS, THE BORROWERS AND THE PROPERTIES

SCHIPHOL LOAN

Loan Information	
Original Balance:	EUR 12,240,000
Utilisation Date:	23/03/2006
Cut-Off Date LTV:	85.2%
Cut-Off Balance	EUR 12,056,400
Loan Purpose:	Financing part of the purchase price for the property
Loan Interest Payment Dates:	The last day of each March, June, September and December, commencing 30/06/2006
Interest Rate:	Floating rate
Interest Calculation:	Actual/360
Amortisation:	Quarterly, on each loan interest payment date, EUR 61,200
Maturity Date:	31/12/2010
Expected Maturity Balance:	EUR 11,138,400
Expected Maturity LTV:	78.7%
Borrower:	White Rock Investments II B.V.
Guarantor	Skymaster C.V.
Current Yield:	9.0%
Up-Front Reserves:	None
Cash Sweep:	Yes, during last year of the loan if the tenant does not extend the lease contract
ICR Trigger for Default:	N/a
DSCR Trigger for Default:	N/a
LTV Trigger for Default:	86%
Cut-Off Date ICR:	1.95x
Control/Pledge over Rent Account:	Pledge

Property Information	
Number of Properties:	1
Property Type:	Office building
Location:	Schiphol (the Netherlands)
Freehold or Leasehold:	Freehold and Leasehold
Valuation:	EUR 14,150,000
Valuation Date:	01/11/2006
Valuer:	DTZ Zadelhoff
Property Management:	White Rock Investments II B.V.
Major Tenant(s):	De Staat der Nederlanden (Immigratie- en Naturalisatiedienst) (100%)
Expected/Estimated Rental Value:	EUR 0.9 million
Net Rental Income:	EUR 1.3 million

The Loan and the Property

The loan (the **Schiphol Loan**) was originated by the Originator on 21 March 2006 and is primarily secured by a first priority mortgage on the Skymaster office, located at Pieter Guilonardweg 1 at Schiphol, the Netherlands (the **Schiphol Property**). The Schiphol Loan was amended and restated on 23/02/2007 2007.

The Obligor(s)

The borrower under the loan agreement (the **Schiphol Loan Agreement**) is White Rock Investments II B.V., a private limited liability company (*besloten vennootschap*) incorporated in the Netherlands on 8 July 2005 with registered number 34229800 (the **Schiphol Borrower**). The registered office of the Schiphol Borrower is at Strawinskylaan 3097, 1077 ZX, the Netherlands.

The Schiphol Borrower used the proceeds of the Schiphol Loan to refinance part of the purchase price of the Schiphol Property.

Under the terms of the Schiphol Loan Agreement, the Schiphol Borrower shall not trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the Schiphol Property.

The General Partnership

On 3 January 2006, the Schiphol Borrower entered into an agreement (*Akte houdende inbreng economische eigendom*) with Mr. Hendrikus de Wit and Mr. Johannes van der Blom whereby the economic interest in the Skymaster Property was transferred to a limited partnership (the **CV**). The Schiphol Borrower is the managing partner and de Wit and van der Blom are the limited partners of the CV.

Interest

Interest under the Schiphol Loan must be paid in arrear in EURO on 31 March, 30 June, 30 September and 31 December of each year, commencing 30th June 2006 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Hedging

Hedging arrangements in respect of 100% of the aggregate commitments should be in place as long as any amount is outstanding under the Schiphol Loan Agreement or any commitment thereunder is in force. The original hedge counterparty, being the Originator, may be replaced by another Eligible Institution complying with minimum rating standards set out in the Schiphol Loan Agreement.

Repayment

On 31 March, 30 June, 30 September and 31 December of each year, commencing 30th June 2006 (subject to non-Business Day adjustment) (each a **Repayment Date**), the Schiphol Borrower must pay an amount of EUR 61,200 in *pro rata* repayment of the Schiphol Loan (the **Scheduled Amortisation Payments**). Unless the Schiphol Borrower has prepaid the Schiphol Loan, it will be required to repay all amounts outstanding

under the Schiphol Loan Agreement in full on 31 December 2010. The expected maturity balance then is EUR 11,138,400.

Mandatory Prepayment

The Schiphol Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations contemplated under the Schiphol Loan Agreement or to fund or maintain its participation in the Schiphol Loan, that Lender shall notify the Facility Agent upon becoming aware of that event. Upon the Facility Agent notifying the Schiphol Borrower, the commitment of the relevant Lender will be immediately cancelled and the Schiphol Borrower shall repay the amount due to that Lender on the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law).

b. *Change of control:* if the person who directly or indirectly controls the Schiphol Borrower at the date of the Schiphol Loan Agreement ceases to control directly or indirectly the Schiphol Borrower, the Schiphol Borrower shall promptly notify the Facility Agent and the facilities will be cancelled and all outstanding amounts, together with accrued interest, and all other amounts accrued under the Schiphol Loan, shall become immediately due and payable.

c. *Lease agreement not extended or renewed*: If the tenant 'De Staat der Nederlanden' does not extend or renew the lease agreement to which the Schiphol Property is subject, the Schiphol Borrower shall promptly notify the Facility Agent upon becoming aware of that event, and the Schiphol Borrower shall on each Repayment Date, in addition to its repayment obligations, prepay the Schiphol Loan by an amount equal to the net operating income for that financial quarter minus the interest costs, regular amortisation and taxes for that financial quarter.

In case the Schiphol Loan is mandatorily prepaid in part, the Scheduled Amortisation Payments becoming due after that mandatory prepayment will reduce *pro rata* by the amounts mandatorily prepaid.

Voluntary Prepayment

The Schiphol Borrower may, if it gives the Facility Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the Schiphol Loan (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Also, if any sum payable to a Lender by the Schiphol Borrower is required to be increased under the tax gross-up provisions of the Schiphol Loan Agreement, or if a Lender claims indemnification from the Schiphol Borrower under the tax indemnity or increased costs provisions of the Schiphol Loan Agreement, the Schiphol Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of cancellation of the commitment of the relevant Lender and its intention to procure the repayment of the Schiphol Loan. On the date specified by the Schiphol Borrower in that notice, the Schiphol Borrower shall repay the amount due to that Lender. The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce *pro rata* by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and a prepayment fee.

Security Package

The Obligors under the Schiphol Loan Agreement have granted security rights over certain of their assets and rights in favour of the Security Agent pursuant to the following security agreements:

a. a notarial deed of mortgage by which the Schiphol Borrower has granted a first priority mortgage (*hypotheek*) on the Schiphol Property;

b. a notarial deed of pledge by which all current and future shares in the Schiphol Borrower have been pledged;

c. a rental income pledge agreement by which the Schiphol Borrower has granted a first right of pledge over the rental income in relation to the Schiphol Property;

d. a bank account pledge agreement under which the Schiphol Borrower (i) has granted a first right of pledge over all its current bank accounts, and (ii) is obliged to grant a first right of pledge over any bank accounts subject to Dutch law opened by it in the future;

e. an insurance pledge agreement by which the Schiphol Borrower has granted a first right of pledge over its insurances in relation to the Schiphol Property; and

f. a deed of disclosed pledge of economic ownership under which the Schiphol Borrower has granted a first right of pledge over its economic ownership rights,

in addition the CV, acting by its managing partner, has granted security rights over certain of its assets and rights in favour of the Security Agent pursuant to the following security agreements:

g. a guarantee by the CV (represented by its general partner) guaranteeing the obligations of the Schiphol Borrower;

h. a pledge over the rights in respect of the economic interest as set out in the partnership agreement of the CV;

i. a rental income pledge agreement by which the Schiphol Borrower has granted a first right of pledge over the rental income in relation to the Schiphol Property;

j. a bank account pledge agreement under which the CV (i) has granted a first right of pledge over all its current bank accounts, and (ii) is obliged to grant a first right of pledge over any bank accounts subject to Dutch law opened by it in the future; and

k. an insurance pledge agreement by which the Schiphol Borrower has granted a first right of pledge over its insurances in relation to the Schiphol Property,

(the documents in paragraph a. to k. are referred to as the **Schiphol Security Agreements)**.

The security interests created pursuant to the Schiphol Security Agreements were created in favour of the Originator (in its capacity as initial security agent and as a parallel creditor under the parallel debt undertaking contained in the Schiphol Loan Agreement) and secure an amount equal to all of the liabilities of the Obligors to the Finance Parties under the Finance Documents. The security interests created pursuant to the Schiphol Security Agreements will be transferred to the Issuer by operation of law as a result of the transfer of the Schiphol Loan including all the rights and obligations in respect of the parallel debt undertaking contained in the Schiphol Loan Agreement to the Issuer pursuant to the Loan Transfer Agreements.

Property Management

The Schiphol Borrower may not appoint any property manager without the prior consent of, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders). In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the Schiphol Borrower is entitled to terminate that property management agreement, the Majority Lenders can require the Schiphol Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Majority Lenders.

Valuation

As per the valuation carried out by DTZ Zadelhoff (the **Schiphol Valuer**) dated 9 November 2006 (the **Schiphol Valuation**), the Schiphol Valuer has determined the market value of the Schiphol Property, subject to the existing tenancies, to be, as at 1 November 2006 (the **Schiphol Valuation Date**), EUR 14,150,000. See *Appendix B – Summary Valuation* for a full copy of the Schiphol Valuation. On the basis of the Schiphol Valuation, the Loan to Value as at the Closing Date will be 85.2 per cent.

Every year on or about each anniversary of the first Utilisation Date, the Schiphol Borrower must at its own cost supply to the Facility Agent a valuation report in respect of the Schiphol Property prepared by a valuer or surveyor acceptable to the Facility Agent, by means of a desktop update of the valuation (each an **Updated Schiphol Valuation**). The Facility Agent may, in addition thereto, at all times request an Updated Schiphol Valuation of the Schiphol Property. Any such Updated Schiphol Valuation will be at the cost of the Lenders, unless a default is continuing or if the Majority Lenders reasonably suspect a default is continuing.

Description of Tenant(s)

De Staat der Nederlanden (Immigratie- en Naturalisatiedienst) is tenant of the Schiphol Property. If De Staat der Nederlanden does not extend or renew the lease agreement, this will give rise to a mandatory prepayment under the Schiphol Loan Agreement (see above).

Insurance

The Schiphol Borrower has undertaken to maintain insurance on the Schiphol Property on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A2 (or higher) by Moody's, A (or higher) by S&P or a comparable rating from an internationally recognised credit rating agency or otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Facility Agent.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The Schiphol Loan Agreement is governed by Dutch law.

SPARKASSE LOAN

Loan Information	
Original Balance:	EUR 9,600,000
Utilisation Date:	29/03/2006
Cut-Off Date LTV:	83.5%
Cut-Off Balance:	EUR 9,487,500
Loan Purpose:	Financing part of the purchase price for the properties
Loan Interest Payment Dates:	The last day of each March, June, September and December, commencing 30/06/2006
Interest Rate:	Floating rate
Interest Calculation:	Actual/360
Amortisation:	Quarterly, on each loan interest payment date, EUR 37,500
Maturity Date:	31/03/2014
Expected Maturity Balance:	EUR 8,437,500
Expected Maturity LTV:	74.3%
Borrower:	IMG Wonen 3 B.V.
Guarantor:	IMG Vastgoed B.V.
Current Yield:	6.8%
Up-Front Reserves:	None
Cash Sweep:	Yes, see below
ICR Trigger for Default:	1.30x in 2006 and 2007; 1.40x in 2008 and 2009; 1.60x after 2009
DSCR Trigger for Default:	N/a
LTV Trigger for Default:	87% (2008 and 2009), 83% (2010 and 2011) or 78% (after 2011)
Cut-Off Date ICR:	1.42x
Control/Pledge over Rent Account:	Pledge

Property Information	
Number of Properties:	20
Property Type:	Bank offices leased to Sparkasse Düren with 46 residential/commercial units above
Location:	Düren region (Germany)
Freehold or Leasehold:	Freehold
Valuation:	EUR 11,360,000
Valuation Date:	23/01/2006
Valuer:	Dipl.-Ing. Richard Valter
Property Management:	Immobilien Management & Service GmbH
Major Tenant(s):	Sparkasse Düren
Other Tenants/Vacancies:	Private individuals
Expected/Estimated Rental Value:	EUR 0.8 million
Net Rental Income:	EUR 0.8 million

The Loan and the Properties

The loan (the **Sparkasse Loan**) was originated by the Originator on 27 March 2006 and is primarily secured by a first priority security interest in 20 bank offices and 46 residential/commercial units above these offices located in the Düren region in Germany (jointly the **Sparkasse Properties** and each a **Sparkasse Property**).

The Obligor(s)

The borrower under the loan agreement (the **Sparkasse Loan Agreement**) is IMG Wonen 3 B.V., a private limited liability company (*besloten vennootschap*) incorporated in the Netherlands on 29 August 2005 with registered number 12058537 (the **Sparkasse Borrower**). The registered office of the Sparkasse Borrower is at Buitenop 16, 6041 LA Roermond, the Netherlands.

The Sparkasse Borrower used the proceeds of the Sparkasse Loan to finance part of the purchase price of the Sparkasse Properties.

Under the terms of the Sparkasse Loan Agreement, the Sparkasse Borrower shall not trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the Sparkasse Properties.

IMG Vastgoed B.V. is a guarantor (the **Sparkasse Guarantor**) under the Sparkasse Loan.

Interest

Interest under the Sparkasse Loan must be paid in arrear in EURO on 31 March, 30 June, 30 September and 31 December of each year, commencing 30th June 2006 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Hedging

Hedging arrangements in respect of 100% of the aggregate commitments should be in place as long as any amount is outstanding under the Sparkasse Loan Agreement or any commitment thereunder is in force. The original hedge counterparty, being the Originator, may be replaced by another Eligible Institution complying with minimum rating standards set out in the Sparkasse Loan Agreement.

Subordinated Shareholder Loan

The Sparkasse Guarantor has granted a EUR 900,000 loan (the **Sparkasse Subordinated Loan**) to the Sparkasse Borrower, which loan has also been applied by the Sparkasse Borrower to purchase part of the Sparkasse Properties. The claims of IMG Vastgoed B.V. under the Sparkasse Subordinated Loan are subordinated to the claims of the Finance Parties under the Sparkasse Loan. Also, the interest rate payable on the Sparkasse Subordinated Loan may not exceed 4.5% *per annum*.

Repayment

On 31 March, 30 June, 30 September and 31 December of each year, commencing 30th June 2006 (subject to non-Business Day adjustment) (each a **Repayment Date**), the Sparkasse Borrower must pay an amount of EUR 37,500 in repayment of the Sparkasse Loan (the **Scheduled Amortisation Payments**). Unless the Sparkasse Borrower has prepaid the Sparkasse Loan, it will be required to repay all amounts outstanding under the Sparkasse Loan Agreement in full on 31 March 2014. The expected maturity balance then is EUR 8,437,500.

Mandatory Prepayment

The Sparkasse Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations contemplated under the Sparkasse Loan Agreement or to fund or maintain its participation in the Sparkasse Loan, that Lender shall notify the Facility Agent upon becoming aware of that event. Upon the Facility Agent notifying the Sparkasse Borrower, the commitment of the relevant Lender will be immediately cancelled and the Sparkasse Borrower shall repay the amount due to that Lender on the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law).

b. *Change of control:* if the person who directly or indirectly controls the Sparkasse Guarantor at the date of the Sparkasse Loan Agreement ceases to control directly or indirectly the Sparkasse Guarantor, the Sparkasse Guarantor shall promptly notify the Facility Agent and the facilities will be cancelled and all outstanding amounts, together with accrued interest, and all other amounts accrued under the Sparkasse Loan, shall become immediately due and payable.

c. *Disposal of property*: if the Obligors sell all or substantially all of their assets (whether in a single transaction or a series of related transactions), the commitments will be cancelled and all outstanding amounts under the Sparkasse Loan, together with accrued interest, shall become immediately due and payable. Also, upon the occurrence of the disposal of a Sparkasse Property, on the Loan Interest Payment Date immediately following the date of such disposal, the Sparkasse Borrower shall prepay the Sparkasse Loan in an amount equal to:

   - if, at the time of the disposal the Loan to Value exceeds 70%, the full consideration receivable for that disposal after deducting reasonable expenses and taxes incurred in connection with that disposal; or

   - if, at the time of the disposal the Loan to Value does not exceed 70%, the product of 91% and the value of the disposed Sparkasse Property as indicated in the SparkasseValuation.

d. *Cash Sweep*: the Sparkasse Borrower must, in addition to the Scheduled Amortisation Payments, every six months on each Repayment Date falling immediately after the last of a Relevant Period, prepay the Sparkasse Loan by an amount that is equal to the Net Operating Income for its financial half year ending on the last day of that Relevant Period minus the interest costs in respect of the Sparkasse Loan, interest costs in respect of the Subordinated Shareholder Loan and taxes for that financial half year. Relevant Period means: each period of twelve months ending on the last day of a financial year of the Sparkasse Borrower. Relevant Period means: each period of twelve months ending on the last day of each of the financial years of the Sparkasse Borrower.

In case the Sparkasse Loan is mandatorily prepaid in part, the Scheduled Amortisation Payments becoming due after that mandatory prepayment will reduce *pro rata* by the amounts mandatorily prepaid.

Voluntary Prepayment

The Sparkasse Borrower may, if it gives the Facility Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the Sparkasse Loan (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Also, if any sum payable to a Lender by the Sparkasse Borrower is required to be increased under the tax gross-up provisions of the Sparkasse Loan Agreement, or if a Lender claims indemnification from the Sparkasse Borrower under the tax indemnity or increased costs provisions of the Sparkasse Loan Agreement, the Sparkasse Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of cancellation of the commitment of the relevant Lender and its intention to procure the repayment of the Sparkasse Loan. On the date specified by the Sparkasse Borrower in that notice, the Sparkasse Borrower shall repay the amount due to that Lender. The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce *pro rata* by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and a prepayment fee.

Security Package

The Obligors under the Sparkasse Loan Agreement have granted security rights over certain of their assets and rights in favour of the Originator pursuant to the following security agreements:

(a) a notarial deed pursuant to which the Sparkasse Borrower has granted certificated comprehensive mortgages (*Briefgrundschuld*) over the Sparkasse Properties (the **Sparkasse Mortgages**);

(b) a security purposes agreement (*Sicherungszweckvereinbarung*) in respect of each of the Sparkasse Mortgages;

(c) an agreement on the assignment of rental income in relation to the Sparkasse Properties by way of security (*Sicherungsabtretung*) by the Sparkasse Borrower;

(d) an agreement on the assignment of insurance claims in relation to the Sparkasse Properties by way of security (*Sicherungsabtretung*) by the Sparkasse Borrower;

(e) an account pledge agreement relating to, *inter alia*, the current accounts held by the Sparkasse Borrower in Germany and any bank account subject to German law opened in the future by the Sparkasse Borrower;

(f) a security trust agreement providing, *inter alia*, for an abstract acknowledgement of indebtedness (*abstraktes Schuldanerkenntnis*) by the Sparkasse Borrower and the Sparkasse Guarantor; and

(g) a Dutch notarial deed of pledge by which all current and future shares in the Sparkasse Borrower have been pledged by the Sparkasse Guarantor,

(the documents in paragraph (a) to (f) are referred to as the **German Sparkasse Security Agreements**, the document in paragraph (g) is referred to as the **Dutch Sparkasse Security Agreement** and together with the German Sparkasse Security Agreements and the Sparkasse Guarantees, the **Sparkasse Security Agreements)**.

The security interests created pursuant to the Dutch Sparkasse Security Agreement were created in favour of the Originator (in its capacity as initial security agent and as a parallel creditor under the parallel debt undertaking contained in the Sparkasse Loan Agreement) and secure an amount equal to all of the liabilities of the Obligors to the Finance Parties under the Finance Documents. The security interests created pursuant to the Dutch Sparkasse Security Agreement will be transferred to the Issuer by operation of law as a result of the transfer of the Sparkasse Loan including all the rights and obligations in respect of the parallel debt undertaking contained in the Sparkasse Loan Agreement to the Issuer pursuant to the Loan Transfer Agreements.

The security interests created pursuant to the German Sparkasse Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of the Obligors to the Finance Parties under the Finance Documents. The German accessory security rights (*akzessorische Sicherheiten*) held by the Originator (which are contained in the document referred to in paragraph (e) above) will be transferred to the Issuer by operation of law as a result of the transfer of the Sparkasse Loan to the Issuer pursuant to the Loan Transfer Agreements. The German non-accessory security rights (*nicht akzessorische Sicherheiten*) (which includes the Sparkasse Mortgages) will be transferred to the Issuer pursuant to one or more German law assignment or transfer agreements.

Property Management

The Sparkasse Borrower may not appoint any property manager without the prior consent of, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders). In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the Sparkasse Borrower is entitled to terminate that property management agreement, the Majority Lenders can require the Sparkasse Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Majority Lenders.

Valuation

As per the valuation carried out by Dipl.-Ing Richard Valter (the **Sparkasse Valuer**) dated January/February 2006 (the **Sparkasse Valuation**), the Sparkasse Valuer has determined the market value of the Sparkasse Properties, subject to the existing tenancies, to be, as at 23 January 2006 (the **Sparkasse Valuation Date**), EUR 11,360,000. See *Appendix B – Summary Valuation* for a full copy of the Sparkasse Valuation. On the basis of the Sparkasse Valuation, the Loan to Value as at the Closing Date will be 83.5 per cent.

Two-yearly on or about each second anniversary of the first utilisation date, the Sparkasse Borrower must at its own cost supply to the Facility Agent a valuation report in respect of the Sparkasse Properties prepared by a valuer or surveyor acceptable to the Facility Agent by means of a desktop update of the Sparkasse Valuation (each an **Updated Sparkasse Valuation**). The Facility Agent may, in addition thereto, at all times request an Updated Sparkasse Valuation of the Sparkasse Properties. Any such Updated Sparkasse Valuation will be at the cost of the Lenders, unless a default is continuing or if the Majority Lenders reasonably suspect a default is continuing.

Description of Tenant(s)

Sparkasse Düren GmbH is a tenant of the Sparkasse Properties. According to the conditions precedent to the Sparkasse Loan Agreement, the lease should have a remaining term of at least 15 years and the tenant should not have any rights to early termination of the lease. Also, the aggregate rental income should exceed EUR 765,000 for the first 12 months and should be indexed.

Furthermore, the Sparkasse Properties include 46 residential/commercial units which are occupied by private individuals contributing EUR 252,000 of rental income.

Insurance

The Sparkasse Borrower has undertaken to maintain insurance on the Sparkasse Properties on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or as otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Facility Agent.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The Sparkasse Loan Agreement is governed by Dutch law.

BERLIN LOAN

Loan Information	
Original Balance:	EUR 130,000,000
Utilisation Date:	08/08/2006
Cut-Off Date LTV:	76.1%
Cut-Off Balance:	EUR 129,187,500
Loan Purpose:	Financing part of the purchase price for the properties and funding the deposit account with an amount equal to EUR 6,000,000
Loan Interest Payment Dates:	The 15th day of each January, April, July and October, commencing 15/10/2006
Interest Rate:	Floating rate
Interest Calculation:	Actual/360
Amortisation:	See the amortisation schedule below
Maturity Date:	01/07/2016
Expected Maturity Balance:	EUR 108,598,750
Expected Maturity LTV:	64.0%
Borrower:	Muldershof XVIII B.V.
Current Yield:	6.75%
Up-Front Reserves:	EUR 6,000,000 in deposit account (see below)
Cash Sweep:	Yes, see below
ICR Trigger for Cash Sweep:	1.35x (until 31/12/2008) and 1.40x (thereafter)
LTV Trigger for Default:	85%
Cut-Off Date ICR:	1.43x
Control/Pledge over Rent Account:	Pledge

Property Information	
Number of Properties:	3863 residential units and 43 commercial units
Property Type:	Apartments and commercial floor area (known as Portfolio A and B)
Location:	Berlin (Germany)
Freehold or Leasehold:	Freehold
Valuation:	EUR 169,800,000
Valuation Date:	10/03/2006
Valuer:	Dipl.-Volkswirt Walter Finger
Property Management:	Allod Immobilien und Vermögensverwaltungsgeselschaft mbH & Co. KG
Major Tenant(s):	Private Individuals
Expected/Estimated Rental Value:	EUR 12.9 million
Net Rental Income:	EUR 11.5 million

Amortisation	
15 October 2006	EUR 406,250
15 January 2007	EUR 406,250
15 April 2007	EUR 406,250
15 July 2007	EUR 406,250
15 October 2007	EUR 438,750
15 January 2008	EUR 438,750
15 April 2008	EUR 438,750
15 July 2008	EUR 438,750
15 October 2008	EUR 471,250
15 January 2009	EUR 471,250
15 April 2009	EUR 471,250
15 July 2009	EUR 471,250
15 October 2009	EUR 503,750
15 January 2010	EUR 503,750
15 April 2010	EUR 503,750
15 July 2010	EUR 503,750
15 October 2010	EUR 536,250
15 January 2011	EUR 536,250
15 April 2011	EUR 536,250
15 July 2011	EUR 536,250
15 October 2011	EUR 568,750
15 January 2012	EUR 568,750
15 April 2012	EUR 568,750
15 July 2012	EUR 568,750
15 October 2012	EUR 601,250
15 January 2013	EUR 601,250
15 April 2013	EUR 601,250
15 July 2013	EUR 601,250
15 October 2013	EUR 633,750
15 January 2014	EUR 633,750
15 April 2014	EUR 633,750
15 July 2014	EUR 633,750
15 October 2014	EUR 666,250
15 January 2015	EUR 666,250
15 April 2015	EUR 666,250
15 July 2015	EUR 666,250
15 October 2015	EUR 698,750
15 January 2016	EUR 698,750
15 April 2016	EUR 698,750

The Loan and the Properties

The loan (the **Berlin Loan**) was originated by the Originator on 4 August 2006 and is primarily secured by a first priority security interest in 3863 apartments and 43 commercial units with a total floor area of 239,130 sq.m. located in Berlin, Germany. The properties are known as portfolio A (and are located on the Bärensteinstrasse, Murtzaner Ring, Poelchaustrasse, Blumberger Damm, Buckower Ring and Allee der Kosmonauten) and portfolio B (and are located at the '*Hochhäuser'*, on the Max Hermann Strasse, the Mehrower Allee, the Poelchaustrasse and the Bärensteinstrasse) (jointly the **Berlin Properties** and each a **Berlin Property**).

The Obligor(s)

The Borrower under the loan agreement (the **Berlin Loan Agreement**) is Muldershof XVIII B.V., a private limited liability company (*besloten vennootschap*) incorporated in the Netherlands on 7 April 1992 with registered number 06067005 (the **Berlin Borrower**). The registered office of the Berlin Borrower is at Reggesingel 10, 7461 BA, Rijssen, the Netherlands.

Victor Rijssen B.V. previously formed a fiscal unity (*fiscale eenheid*) with the Berlin Borrower and has given an indemnification (*vrijwaring*) in relation to any claims that may arise in connection with that fiscal unity. This fiscal unity ended in 30 December 2005.

The Berlin Borrower used the proceeds of the Berlin Loan to finance part of the purchase price of the Berlin Properties and to fund a deposit account held with NIBC Bank N.V. (the **Berlin Deposit Account**) with EUR 6,000,000. That amount will be released depending on the vacancy level or the rental level of the Berlin Properties. The interest rate on the amount standing to the credit of the Berlin Deposit Account is three months EURIBOR plus 0.40% *per annum*. In case there are any monies standing to the credit of the Berlin Deposit Account two years after the date of the Berlin Loan Agreement, the Facility Agent is authorised to apply these monies in prepayment of the Berlin Loan (see also below under Mandatory Prepayment).

Under the terms of the Berlin Loan Agreement, none of the Obligors shall trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the Berlin Properties.

Interest

Interest under the Berlin Loan must be paid in arrear in EURO on 15 January, 15 April, 15 July and 15 October of each year, commencing 15th October 2006 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Hedging

Hedging arrangements in respect of 100% of the aggregate commitments should be in place as long as any amount is outstanding under the Berlin Loan Agreement or any commitment thereunder is in force. The hedge counterparty may be replaced by another Eligible Institution complying with minimum rating standards set out in the Berlin Loan Agreement.

Repayment

On 15 January, 15 April, 15 July and 15 October of each year, commencing 15th October 2006 (subject to non-Business Day adjustment) (each a **Repayment Date**), the Berlin Borrower must pay the relevant amount set out in the amortisation schedule above in *pro rata* repayment of the Berlin Loan (the **Scheduled Amortisation Payments**). Unless the Berlin Borrower has prepaid the Berlin Loan, it will be required to repay all amounts outstanding under the Berlin Loan Agreement in full on 1 July 2016. The expected maturity balance then is EUR 108,598,750.

Mandatory Prepayment

The Berlin Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations contemplated under the Berlin Loan Agreement or to fund or maintain its participation in the Berlin Loan, that Lender shall notify the Facility Agent upon becoming aware of that event. Upon the Facility Agent notifying the Berlin Borrower, the commitment of the relevant Lender will be immediately cancelled and the Berlin Borrower shall repay the amount due to that Lender on the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law). The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce *pro rata* by the amount mandatorily prepaid.

b. *Change of control:* if the person who directly or indirectly controls the Berlin Borrower ceases to control directly or indirectly the Berlin Borrower, the Berlin Borrower shall promptly notify the Facility Agent and the facilities will be cancelled and all outstanding amounts, together with accrued interest, and all other amounts accrued under the Berlin Loan, shall become immediately due and payable, except in the case of a Berlin Permitted Restructuring.

c. *Disposal of property*: if the Obligors sell all or substantially all of their assets (whether in a single transaction or a series of related transactions), the commitments will be cancelled and all outstanding amounts under the Berlin Loan, together with accrued interest, shall become immediately due and payable. Also, upon the occurrence of the disposal of a Berlin Property, on the Loan Interest Payment Date immediately following the date of such disposal, the Berlin Borrower shall prepay the Berlin Loan in an amount equal to the product of:

   - 80% (the initial loan to value);
   - the value of the disposed Berlin Property as indicated in the initial value; and
   - 110% (in case of a Berlin Property forming part of Portfolio A), or 105% (in case of a Berlin Property forming part of Portfolio B).

   The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

d. *Berlin Deposit Account*: if there are any monies standing to the credit of the Berlin Deposit Account two years after the date of the Berlin Loan, the Facility Agent is authorised to apply these monies in prepayment of the Berlin Loan. The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

e. *Cash Sweep*: if, as at the last day of any Relevant Period, the Debt Service Cover requirement or the Interest Cover requirement is not satisfied, the Berlin Borrower must, within 10 Business Days after the Berlin Borrower has supplied the consolidated financial statements to the Facility Agent by reference to which these requirements are tested, prepay the Berlin Loan by an amount that is equal to the Net Operating Income for that relevant Period minus the interest costs in respect of the Berlin Loan and taxes for that Relevant Period for so long and to the extent the Debt Service Cover and/or the Interest Cover is less than the ratios set out above. Relevant Period means: each period of twelve months ending on the last day of the first half of each of the financial years of the Berlin Borrower. The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

Voluntary Prepayment

The Berlin Borrower may, if it gives the Facility Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the Berlin Loan (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Also, if any sum payable to a Lender by the Berlin Borrower is required to be increased under the tax gross-up provisions of the Berlin Loan Agreement, the Berlin Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of cancellation of the commitment of the relevant Lender and its intention to procure the repayment of the Berlin Loan. On the date specified by the Berlin Borrower in that notice, the Berlin Borrower shall repay the amount due to that Lender. The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce *pro rata* by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and a prepayment fee.

Security Package

The Obligors under the Berlin Loan Agreement have granted security rights over certain of their assets and rights in favour of the Originator pursuant to the following security agreements:

(a) a notarial deed pursuant to which the Berlin Borrower has granted certificated comprehensive mortgages (*Briefgrundschuld*) over the Berlin Properties (the **Berlin Mortgages**);

(b) a security purposes agreement (*Sicherungszweckvereinbarung*) in respect of each of the Berlin Mortgages;

(c) an agreement on the assignment of rental income in relation to the Berlin Properties by way of security (*Sicherungsabtretung*) by the Berlin Borrower;

(d) an agreement on the assignment of insurance claims in relation to the Berlin Properties by way of security (*Sicherungsabtretung*) by the Berlin Borrower;

(e) an account pledge agreement relating to, *inter alia*, the current accounts held by the Berlin Borrower in Germany, (except for the Berlin Deposit Account which is located in The Netherlands) and any bank account subject to German law opened in the future by the Berlin Borrower;

(f) a security trust agreement providing, *inter alia*, for an abstract acknowledgement of indebtedness (*abstraktes Schuldanerkenntnis*) by the Berlin Borrower;

(g) a deed of pledge by which the Berlin Borrower as Security provider (i) has granted a first priority pledge over all its current bank accounts and (ii) is obliged to grant a first right of pledge over any bank accounts subject to Dutch law opened by it in the future; and

(h) a notarial deed of pledge by which all current and future shares in the Berlin Borrower have been pledged.

(the documents in paragraph (a) to (f) are referred to as the **German Berlin Security Agreements**, the documents in paragraphs (g) and (h) are referred to as the **Dutch Berlin Security Agreements** and together with the German Berlin Security Agreements, the **Berlin Security Agreements)**.

The security interests created pursuant to the Dutch Berlin Security Agreement were created in favour of the Originator (in its capacity as initial security agent and as parallel creditor under the parallel debt undertaking contained in the Berlin Loan Agreement) and secure an amount equal to all of the liabilities of the Obligors to the Finance Parties under the Finance Documents. The security interests created pursuant to the Dutch Berlin Security Agreement will be transferred to the Issuer by operation of law as a result of the transfer of the Berlin Loan including all the rights and obligations in respect of the parallel debt undertaking contained in the Berlin Loan Agreement to the Issuer pursuant to the Loan Transfer Agreements.

The security interests created pursuant to the German Berlin Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of the Obligors to the Finance Parties under the Finance Documents. The German accessory security rights (*akzessorische Sicherheiten*) held by the Originator (which are contained in the document referred to in paragraph (e) above) will be transferred to the Issuer by operation of law as a result of the transfer of the Berlin Loan to the Issuer pursuant to the Loan Transfer Agreements. The German non-accessory security rights (*nicht akzessorische Sicherheiten*) (which includes the Berlin Mortgages) will be transferred to the Issuer pursuant to one or more German law assignment or transfer agreements.

Property Management

The Berlin Borrower may not appoint any property manager without the prior consent of, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders). In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the Berlin Borrower is entitled to terminate that property management agreement, the Majority Lenders can require the Berlin Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Majority Lenders.

Valuation

As per the valuation carried out by Dipl.-Volkswirt Walter Finger (the **Berlin Valuer**) dated 10/03/2006 (the **Berlin Valuation**), the Berlin Valuer has determined the market value of the Berlin Properties, subject to the existing tenancies, to be, as at 03/04/2006 (the **Berlin Valuation Date**), 169,800,000. See *Appendix B – Summary Valuation* for a full copy of the Berlin Valuation. On the basis of the valuation, the Loan to Value as at the Closing Date will be 76.1 per cent.

Two-yearly on or about each second anniversary of the first utilisation date, the Berlin Borrower must at its own cost supply to the Facility Agent a valuation report in respect of the Berlin Properties prepared by a valuer or surveyor acceptable to the Facility Agent by means of a desktop update of the valuation (each an **Updated Berlin Valuation**). The Facility Agent may, in addition thereto, at all times request an Updated

Valuation of the Berlin Properties. Any such Updated Berlin Valuation will be at the cost of the Lenders, unless a default is continuing or if the Majority Lenders reasonably suspect a default is continuing.

Description of Tenant(s)

The Berlin Properties are occupied by private individuals.

Insurance

The Berlin Borrower has undertaken to maintain insurance on the Berlin Properties on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or otherwise as acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Facility Agent.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The Berlin Loan Agreement is governed by Dutch law.

DUTCH OFFICES II LOAN

Loan Information	
Original Balance:	EUR 26,400,000
Utilisation Date:	15/12/2005
Cut-Off Date LTV:	65.8%
Cut-Off Balance	26,400,000
Loan Purpose:	Financing part of the purchase price for the properties
Loan Interest Payment Dates:	Quarterly (15th day of each of March, June, September and December, commencing 15/03/2006)
Interest Rate:	Fixed rate
Interest Calculation:	Actual/360
Amortisation:	Quarterly, on each loan interest payment date, EUR 66,000 (beginning on 01/04/2008, EUR 99,000 (beginning 01/04/2012)
Maturity Date:	15/12/2012
Expected Maturity Balance:	EUR 25,047,000
Expected Maturity LTV:	62.4%
Borrower:	Vastgoedfonds MPC Holland 61 C.V.
Other Obligors:	Stichting Bewaarder Hanzevast Vastgoedfondsen, Hanzevast Real Estate 61 B.V.
Current Yield:	7.4%
Up-Front Reserves:	None.
Cash Sweep:	No
ICR Trigger for Default:	1.80x
DSCR Trigger for Default:	1.50x
Cut-Off Date ICR:	2.38x
Control/Pledge over Rent Account:	Second ranking (if possible first ranking) pledge

Property Information	
Number of Properties:	3
Property Type:	Office buildings
Location:	Ede, Amersfoort and Haarlem (the Netherlands)
Freehold or Leasehold:	Freehold and Leasehold
Valuation:	EUR 40,110,000
Valuation Date:	01/11/2006
Valuer:	DTZ Zadelhoff
Property Management:	Hanzevast Beheer B.V.
Major Tenant(s):	Twynstra Gudde Adviseurs en Managers B.V.
Expected/Estimated Rental Value: **Net Rental Income:**	EUR 2.9 million EUR 3 million

The Loan and the Properties

The loan (the **Dutch Offices II Loan**) was originated by the Originator on 9 December 2005 and is primarily secured by a first priority mortgage on 3 office buildings, located at Keesomstraat 28-30 in Ede, Stationsplein 1-37 in Amersfoort and Diakenhuisweg 23-27 in Haarlem, the Netherlands (jointly the **Dutch Offices II Properties** and each a **Dutch Offices II Property**).

The Obligor(s)

The borrower under the loan agreement (the **Dutch Offices II Loan Agreement**) is Vastgoedfonds MPC Holland 61 C.V., a limited partnership (*commanditaire vennootschap*) incorporated in the Netherlands on 15 December 2005 with registered number 32112357 (the **Dutch Offices II Borrower**). The registered office of the Dutch Offices II Borrower is at Utrechtseweg 47, 1213 TL Hilversum, the Netherlands and its contact telephone number is +31(0)35-5232400. The Dutch Offices II Borrower is acting through its general partner (*beherend vennoot*) Hanzevast Real Estate 61 B.V., a private limited liability company incorporated in the Netherlands on 1 November 2005 with registered number 02090588 (the **Dutch Offices II General Partner**). The Dutch Offices II General Partner is registered at Verlengde Hereweg 174, 9722 AM Groningen, the Netherlands. The Dutch Offices II General Partner is an Obligor under the Dutch Offices II Loan.

Stichting Bewaarder Hanzevast Vastgoedfondsen (the **Dutch Offices II Foundation**) is also an Obligor under the Dutch Offices II Loan.

The Dutch Offices II Borrower used the proceeds of the Dutch Offices II Loan to finance part of the purchase price for the Dutch Offices II Properties.

Under the terms of the Dutch Offices II Loan, none of the Obligors shall trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the Dutch Offices II Properties.

Interest

Interest under the Dutch Offices II Loan must be paid in arrear in EURO on 15 march, 15 June, 15 September and 15 December of each year, commencing 15 March 2006 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Repayment

On 1 January, 1 April, 1 July and 1 October of each year, commencing 1 April 2008 (subject to non-Business Day adjustment) (each a **Repayment Date**), the Dutch Offices II Borrower must pay an amount of EUR 66,000 (until and including 1 January 2012) or EUR 99,000 (as from 1 April 2012 until and including 1 October 2012) in *pro rata* repayment of the Dutch Offices II Loan (the **Scheduled Amortisation Payments**). Unless the Dutch Offices II Borrower has prepaid the Dutch Offices II Loan, it will be required to repay all amounts outstanding under the Dutch Offices II Loan Agreement in full on 15/12/2012. The expected maturity balance then is EUR 25,047,000.

Mandatory Prepayment

The Dutch Offices II Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations contemplated under the Dutch Offices II Loan Agreement or to fund or maintain its participation in the Dutch Offices II Loan, the Lender shall promptly notify the Dutch Offices II Borrower upon becoming aware of that event. Upon the Lender notifying the Dutch Offices II Borrower, the commitment will be immediately cancelled and the Dutch Offices II Borrower shall repay the Dutch Offices II Loan on the date specified by the Lender in the notice delivered to the Dutch Offices II Borrower (being no earlier than the last day of any applicable grace period permitted by law). The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce *pro rata* by the amount mandatorily prepaid.

b. *Change of control:* if the Dutch Offices II General Partner ceases to be the general partner of the Dutch Offices II Borrower, or the person who directly or indirectly controls the Dutch Offices II General Partner ceases to control directly or indirectly the Dutch Offices II General Partner, the Dutch Offices II Borrower shall promptly notify the Lender and the commitment will be cancelled and all outstanding amounts under the Dutch Offices II Loan, together with accrued interest, shall become immediately due and payable.

c. *Disposal of property*: if the Obligors sell all or substantially all of their assets (whether in a single transaction or a series of related transactions), the commitments will be cancelled and all outstanding amounts under the Dutch Offices II Loan, together with accrued interest, shall become immediately due and payable, with the proviso that if an to the extent the Lender has given its prior written approval, the Commitment will be reduced *pro rata* with the amount of the proceeds of such sale. Also, upon the occurrence of the disposal of a Dutch Offices II Property, the Dutch Offices II Borrower shall prepay the Dutch Offices II Loan in an amount equal to the higher of:

    a. the disposal proceeds in respect of the disposed Dutch Offices II Property; or

    b. the product of:

    – 68% (the initial loan to value);

    – the value of the disposed Dutch Offices II Property as indicated in the initial value; and

    – 110%.

    The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

Voluntary Prepayment

The Dutch Offices II Borrower may, if it gives the Lender not less than 10 Business Days' prior notice, prepay the whole or any part of the Dutch Offices II Loan (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and a prepayment fee).

Security Package

The Obligors under the Dutch Offices II Loan Agreement have granted security rights over certain of their assets and rights in favour of the Lender pursuant to the following security agreements:

(a) a notarial deed of mortgage by which the Dutch Offices II Borrower has granted a first priority mortgage (*hypotheek*) on each of the Dutch Offices II Properties;

(b) a deed of pledge by which the Dutch Offices II Borrower has granted a first right of pledge:

  (i) over the rental income in relation to the Dutch Offices II Properties;

  (ii) over the bank account in which the rental income is collected;

  (iii) over its insurances in relation to the Dutch Offices II Properties; and

  (iv) of Guarantor beneficiary rights.

(the documents in paragraph (a) and (b) are referred to as the **Dutch Offices II Security Agreements)**.

The security interests created pursuant to the Dutch Offices II Security Agreements were created in favour of the Lender. The security interests created pursuant to the Dutch Offices II Security Agreements will be transferred to the Issuer by operation of law as a result of the transfer of the Dutch Offices II Loan to the Issuer pursuant to the Loan Transfer Agreements.

Property Management

The Dutch Offices II Borrower may not appoint any property manager without the prior consent of, and on terms approved by, the Lender. In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the Dutch Offices II Borrower is entitled to terminate that property management agreement, the Lender can require the Dutch Offices II Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Lender.

Valuation

As per the valuation carried out by DTZ Zadelhoff (the **Dutch Offices II Valuer**) dated 09/11/2006 (the **Dutch Offices II Valuation**), the Dutch Offices II Valuer has determined the market value of the Dutch Offices II Properties, subject to the existing tenancies, to be, as at 01/11/2006 (the **Valuation Date**), EUR 40,110,000. See *Appendix B – Summary Valuation* for a full copy of the summary valuation. On the basis of the Dutch Offices II Valuation, the Loan to Value as at the Closing Date will be 65.8 per cent.

Two-yearly on or about each second anniversary of the first Utilisation Date, the Dutch Offices II Borrower must at its own cost supply to the Lender a valuation report in respect of the Dutch Offices II Properties prepared by a valuer or surveyor acceptable to the Lender, by means of a desktop update of the valuation (each an **Updated Dutch Offices II Valuation**). The Lender may, in addition thereto, at all times request an Updated Dutch Offices II Valuation of the Dutch Offices II Properties. Any such Updated Dutch Offices II Valuation will be at the cost of the Lender, unless a default is continuing or if the Lender reasonably suspects a default is continuing.

Description of Tenant(s)

Maintec Contracting B.V. is a tenant of the Dutch Offices II Property in Ede. Humares B.V. has given a group guarantee (*concerngarantie*) in respect of the obligations of Maintec Contracting B.V. under the lease agreement (the **Humares Guarantee**).

In respect of the Dutch Offices II Property in Ede, Alvesta Inter Properties Beheer B.V. and Alvesta Inter Properties B.V. have each given a guarantee in respect of the obligations of the tenants under the lease documents (the **Alvesta Guarantees**). Furthermore, Alvesta Vastgoed B.V. has given a rental guarantee in respect of the vacant lettable space of the Dutch Offices II Property in Ede (the **Alvesta Rental Guarantee**) and has deposited EUR 385,000 into an account in the name of a notary as security for its performance under the Alvesta Rental Guarantee.

The lease agreement in respect of the Dutch Offices II Property in Haarlem had a remaining term of at least 10 years at the date of the Dutch Offices II Loan Agreement (with a right to unwind the lease in respect of one floor after 5 years).

Insurance

The Dutch Offices II Borrower has undertaken to maintain insurance on the Dutch Offices II Properties on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or as is otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Lender.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The Dutch Offices II Loan Agreement is governed by Dutch law.

DUTCH OFFICES I LOAN

Loan Information	
Original Balance:	EUR 34,200,000
Utilisation Date:	30/12/2004
Cut-Off Date LTV:	68.6%
Cut-Off Balance	EUR 34,200,000
Loan Purpose:	Financing part of the purchase price for the properties
Loan Interest Payment Dates:	Quarterly on the 30th day of each March, June, September and December
Interest Rate:	Fixed rate
Interest Calculation:	Actual/360
Amortisation:	Quarterly, on each loan interest payment date, EUR 85,500 (beginning 30/03/2007), EUR 128,250 (beginning 30/03/2011) and on the maturity date 'all then outstanding amounts'
Maturity Date:	30/12/2011
Expected Maturity Balance:	EUR 32,447,250
Expected Maturity LTV:	65.1%
Borrower:	Vastgoedfonds MPC Holland 55 C.V.
Other Obligors:	Stichting Bewaarder Vastgoedfonds MPC Holland 55 and Vastgoedfonds MPC Holland 55 B.V.
Current Yield:	8.2%
Up-Front Reserves:	None
Cash Sweep:	No
ICR Trigger for Default:	N/a
DSCR Trigger for Default:	N/a
LTV Trigger for Default:	N/a
Cut-Off Date ICR:	2.20x
Control/Pledge over Rent Account:	Second ranking (if possible first ranking) pledge

Property Information	
Number of Properties:	5
Property Type:	Office buildings
Location:	Groningen, Tilburg, Den Bosch (2) and Rijswijk (the Netherlands)
Freehold or Leasehold:	Freehold
Valuation:	EUR 49,850,000
Valuation Date:	01/11/2006
Valuer:	DTZ Zadelhoff
Property Management:	Hanzevast Beheer B.V.
Major Tenant(s):	Essent N.V. (29%), Gemeente Groningen (22%), UWV (21%)
Expected/Estimated Rental Value:	EUR 3.9 million
Net Rental Income:	EUR 4.1 million

The Loan and the Properties

The loan (the **Dutch Offices I Loan**) was originated by the Originator on 4 October 2004 and is primarily secured by a first priority mortgage on 5 office buildings, located at Europaweg 8 in Groningen, Reitseplein 15 in Tilburg, Pettelaarpark 80 in Den Bosch, Nassaukade 1 in Rijswijk and Europalaan 30 in Den Bosch, the Netherlands (jointly the **Dutch Offices I Properties** and each a **Dutch Offices I Property**). The MPC Loan was amended and restated on 13/03/2007 2007.

The Obligor(s)

The borrower under the loan agreement (the **Dutch Offices I Loan Agreement**) is Vastgoedfonds MPC Holland 55 C.V., a limited partnership (*commanditaire vennootschap*) incorporated in the Netherlands on 30 December 2004 with registered number 32107250 (the **Dutch Offices I Borrower**). The registered office of the Dutch Offices I Borrower is at Utrechtseweg 47, 1213 TL Hilversum, the Netherlands and its contact telephone number is +31(0)35-5232400. The Dutch Offices I Borrower is acting through its general partner (*beherend vennoot*) Vastgoedfonds MPC Holland 55 B.V., a private limited liability company incorporated in the Netherlands on 5 October 2004 with registered number 32103992 (the **Dutch Offices I General Partner**). The Dutch Offices I General Partner is registered at the same address and has the same telephone number as the Dutch Offices I Borrower. The Dutch Offices I General Partner is an Obligor under the Dutch Offices I Loan.

Stichting Bewaarder Vastgoedfonds MPC Holland 55 (the **Dutch Offices I Foundation**) is also an Obligor under the Dutch Offices I Loan.

The Dutch Offices I Borrower used the proceeds of the Dutch Offices I Loan to finance part of the purchase price for the Dutch Offices I Properties.

Under the terms of the Dutch Offices I Loan, none of the Obligors shall trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the Dutch Offices I Properties.

Interest

Interest under the Dutch Offices I Loan must be paid in arrear in euro on 30 March, 30 June, 30 September and 30 December of each year, commencing 30/03/2005 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Repayment

On 30 March, 30 June, 30 September and 30 December of each year, commencing 30 March 2007 (subject to non-Business Day adjustment) (each a **Repayment Date**), the Dutch Offices I Borrower must pay an amount of EUR 85,500 (until and including 30 December 2010) or EUR 128,250 (as from 30 March 2011 until and including 30 September 2011) in *pro rata* repayment of the Dutch Offices I Loan (the **Scheduled Amortisation Payments**). Unless the Dutch Offices I Borrower has prepaid the Dutch Offices I Loan, it will be required to repay all amounts outstanding under the Dutch Offices I Loan Agreement in full on 30 December 2011.

Mandatory Prepayment

The Dutch Offices I Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations contemplated under the Dutch Offices I Loan Agreement or to fund or maintain its participation in the Dutch Offices I Loan, the Lender shall promptly notify the Dutch Offices I Borrower upon becoming aware of that event. Upon the Lender notifying the Dutch Offices I Borrower, the commitment will be immediately cancelled and the Dutch Offices I Borrower shall repay the Dutch Offices I Loan on the date specified by the Lender in the notice delivered to the Dutch Offices I Borrower (being no earlier than the last day of any applicable grace period permitted by law).

b. *Change of control:* if the Dutch Offices I General Partner ceases to be the general partner of the Dutch Offices I Borrower, or the person who directly or indirectly controls the Dutch Offices I General Partner ceases to control directly or indirectly the Dutch Offices I General Partner, the Dutch Offices I Borrower shall promptly notify the Lender and the commitment will be cancelled and all outstanding amounts under the Dutch Offices I Loan, together with accrued interest, shall become immediately due and payable.

c. *Disposal of property*: if the Obligors sell all or substantially all of their assets (whether in a single transaction or a series of related transactions), the commitments will be cancelled and all outstanding amounts under the Dutch Offices I Loan, together with accrued interest, shall become immediately due and payable, with the proviso that if an to the extent the Lender has given its prior written approval, the Commitment will be reduced *pro rata* with the amount of the proceeds of such sale. Also, upon the occurrence of the disposal of a Dutch Offices I Property, the Dutch Offices I Borrower shall prepay the Dutch Offices I Loan in an amount equal to the higher of:

   a. the disposal proceeds in respect of the disposed Dutch Offices I Property; or

   b. the product of:

   – 69% (the initial loan to value);

   – the value of the disposed Dutch Offices I Property as indicated in the initial value; and

   – 110%.

   The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

Voluntary Prepayment

The Dutch Offices I Borrower may, if it gives the Lender not less than 10 Business Days' prior notice, prepay the whole or any part of the Dutch Offices I Loan (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and prepayment fees.

Security Package

The Obligors under the Dutch Offices I Loan Agreement have granted security rights over certain of their assets and rights in favour of the Lender pursuant to the following security agreements:

(a) a notarial deed of mortgage by which the Dutch Offices I Borrower has granted a first priority mortgage (*hypotheek*) on each of the Dutch Offices I Properties;

(b) a rental income pledge agreement by which the Dutch Offices I Borrower has granted a first right of pledge over the rental income in relation to the Dutch Offices I Properties;

(c) a bank account pledge agreement under which the Dutch Offices I Borrower (i) has granted a first right of pledge over the bank account in which the rental income is collected; and

(d) a pledge over insurance claims by which the Dutch Offices I Borrower has granted a first right of pledge over its insurances in relation to the Dutch Offices I Properties.

(the documents in paragraph (a) to (d) are referred to as the **Dutch Offices I Security Agreements)**.

The security interests created pursuant to the Dutch Offices I Security Agreements were created in favour of the Lender. The security interests created pursuant to the Dutch Offices I Security Agreements will be transferred to the Issuer by operation of law as a result of the transfer of the Dutch Offices I Loan to the Issuer pursuant to the Loan Transfer Agreements.

Property Management

The Dutch Offices I Borrower may not appoint any property manager without the prior consent of, and on terms approved by, the Lender. In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the Dutch Offices I Borrower is entitled to terminate that property management agreement, the Lender can require the Dutch Offices I Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Lender.

Valuation

As per the valuation carried out by DTZ Zadelhoff (the **Dutch Offices I Valuer**) dated 9 November 2006 (the **Dutch Offices I Valuation**), the Dutch Offices I Valuer has determined the market value of the Dutch Offices I Properties, subject to the existing tenancies, to be, as at 1 November 2006 (the **Dutch Offices I Valuation Date**), EUR 49,850,000. See *Appendix B – Summary Valuation* for a full copy of the summary valuation. On the basis of the Dutch Offices I Valuation, the Loan to Value as at the Closing Date will be 68.6 per cent.

Two-yearly on or about each second anniversary of the first Utilisation Date, the Dutch Offices I Borrower must at its own cost supply to the Lender a valuation report in respect of the Dutch Offices I Properties prepared by a valuer or surveyor acceptable to the Lender, by means of a desktop update of the valuation (each an **Updated Dutch Offices I Valuation**). The Lender may, in addition thereto, at all times request an Updated Dutch Offices I Valuation of the Dutch Offices I Properties. Any such Updated Dutch Offices I Valuation will be at the cost of the Lender, unless a default is continuing or if the Lender reasonably suspects a default is continuing.

Description of Tenant(s)

Essent N.V., rated "A2" by Moody's and "A+" by S&P, and two government related parties contribute approximately 70% of rental income.

Insurance

The Dutch Offices I Borrower has undertaken to maintain insurance on the Dutch Offices I Properties on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or as is otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Lender.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The Dutch Offices I Loan Agreement is governed by Dutch law.

NRW LOAN

Loan Information	
Original Balance:	EUR 35,000,000
Utilisation Date:	22/09/2006
Cut-Off Date LTV:	80.8%
Cut-Off Balance:	EUR 34,825,000
Loan Purpose:	Funding the Borrower to partly finance the purchase price of the properties
Loan Interest Payment Dates:	The 15th day of each January, April, July and October, commencing 15/10/2006
Interest Rate:	Floating rate
Interest Calculation:	Actual/360
Amortisation:	Quarterly, on each loan interest payment date, EUR 175,000
Maturity Date:	15/09/2016 (Cash sweep as from 15/10/2014)
Expected Maturity Balance:	EUR 28,175,000
Expected Maturity LTV:	65.4%
Borrower:	Valbonne Real Estate 9 B.V.
Current Yield:	7.4%
Up-Front Reserves:	None
Cash Sweep:	Yes, see below
ICR Trigger for Cash Sweep/Default:	1.40x/1.25x
DSCR Trigger for Cash Sweep/Default	N/a
LTV Trigger for Cash Sweep/Default	85%/90%
Cut-Off Date ICR:	1.45x
Control/Pledge over Rent Account:	Pledge

Property Information	
Number of Properties:	823 (817 residential units and 6 commercial units)
Property Type:	Residential housing units
Location:	Dortmund area (Germany)
Freehold or Leasehold:	Freehold
Valuation:	EUR 43,100,000
Valuation Date:	28/07/2006
Valuer:	BDO Deutsche Warentrehand AG Wirtschaftsprüfungsgesellschaft
Property Management:	Arslan Verwaltung GmbH
Major Tenant(s):	Private individuals
Expected/Estimated Rental Value:	EUR 3.2 million
Net Rental Income:	EUR 3.2 million

The Loan and the Properties

The loan (the **NRW Loan**) was originated by the Originator on 18 September 2006 and is primarily secured by a first priority mortgage on 823 properties located in the Dortmund area in Germany (jointly the **NRW Properties** and each a **NRW Property**) in the principal amount of EUR 37,000,000.

The Obligor(s)

The borrower under the loan agreement (the **NRW Loan Agreement**) is Valbonne Real Estate 9 B.V. having its registered office at Weteringschans 28 sous, 1017 SG Amsterdam, The Netherlands (the **NRW Borrower**).

Under the terms of the NRW Loan Agreement, none of the Obligors shall trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the NRW Properties.

Interest

Interest under the NRW Loan must be paid in arrear in euro on 15 January, 15 April, 15 July and 15 October of each year, commencing 15th October 2006 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Hedging

Hedging arrangements in respect of 100% of the aggregate commitments should be in place as long as any amount is outstanding under the NRW Loan Agreement or any commitment thereunder is in force. The original hedge counterparty, being the Originator, may be replaced by another Eligible Institution complying with minimum rating standards set out in the NRW Loan Agreement.

Repayment

On 15 January, 15 April, 15 July and 15 October of each year, commencing 15th January 2007 (subject to non-Business Day adjustment) (each a **Repayment Date**), the NRW Borrower must pay an amount of EUR 175,000 in *pro rata* repayment of the NRW Loan (the **Scheduled Amortisation Payments**). Unless the NRW Borrower has prepaid the NRW Loan, it will be required to repay all amounts outstanding under the NRW Loan Agreement in full on 15 September 2016.

Mandatory Prepayment

The NRW Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations contemplated under the NRW Loan Agreement or to fund or maintain its participation in the NRW Loan, that Lender shall notify the Facility Agent upon becoming aware of that event. Upon the Facility Agent notifying the NRW Borrower, the commitment of the relevant Lender will be immediately cancelled and the NRW Borrower shall repay the amount due to that Lender on the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law). The Scheduled Amortisation Payments

becoming due after any such mandatory prepayment will reduce *pro rata* by the amount mandatorily prepaid.

b. *Disposal of property*: if the Borrower sells all or substantially all of its assets (whether in a single transaction or a series of related transactions), the commitments will be cancelled and all outstanding amounts under the NRW Loan, together with accrued interest, shall become immediately due and payable. Also, upon the occurrence of the disposal of a NRW Property, the NRW Borrower shall prepay the NRW Loan in an amount equal to the product of:

- 85% (the initial loan to value);
- the value of the disposed NRW Property as indicated in the initial value; and
- 110%.

The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

c. *Cash Sweep*: on each Repayment Date:

- falling prior to but excluding 15 October 2014, if the Loan to Value as at the last day of the most recent Relevant Period which has ended prior to that Repayment Date exceeds 85%;
- falling prior to but excluding 15 October 2014, if the Interest Cover in respect of the most recent Relevant Period which has ended prior to that Repayment Date is less than 1.40x; and
- falling after and including 15 October 2014,

the NRW Borrower shall (in addition to and notwithstanding the Scheduled Amortisation Payments, prepay the NRW Loan by an amount that is equal to (A) the Net Operating Income for the most recent three months period that has ended prior to that relevant repayment date minus (B) the aggregate amount of all interest and other periodic financing charges plus repayments and prepayments of principal paid in respect of any Financial Indebtedness for that three months period. Relevant Period means: each period of twelve months ending on the last day of the first half of each of the financial years of the NRW Borrower. The Scheduled Amortisation Payments becoming due after any such mandatory prepayments will reduce in inverse chronological order by the amounts mandatorily prepaid.

Voluntary Prepayment

The NRW Borrower may, if it gives the Facility Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the NRW Loan (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Also, if any sum payable to a Lender by the NRW Borrower is required to be increased under the tax gross-up provisions of the NRW Loan Agreement, or if a Lender claims indemnification from the NRW Borrower under the tax indemnity or increased costs provisions of the NRW Loan Agreement, the NRW Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of cancellation of the commitment of the relevant Lender and its intention to procure the repayment of the NRW Loan. On the date specified by the NRW Borrower in that notice, the NRW Borrower shall repay the amount due to that Lender. The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce *pro rata* by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and a prepayment fee.

Security Package

The Borrower under the NRW Loan Agreement have granted security rights over certain of its assets and rights in favour of the Originator pursuant to the following security agreements:

(a) a notarial deed pursuant to which the NRW Borrower has granted certificated comprehensive mortgages (*Briefgrundschuld*) over the NRW Properties in the principal amount of EUR 37,000,000 (the **NRW Mortgages**);

(b) a security purposes agreement (*Sicherungszweckvereinbarung*) in respect of each of the NRW Mortgages;

(c) an agreement on the assignment of rental income in relation to the NRW Properties by way of security (*Sicherungsabtretung*) by the NRW Borrower;

(d) an agreement on the assignment of insurance claims in relation to the NRW Properties by way of security (*Sicherungsabtretung*) by the NRW Borrower;

(e) an account pledge agreement relating to, *inter alia*, the current account held by the NRW Borrower in Germany and any bank account subject to German law opened in the future by the NRW Borrower;

(f) a security trust agreement providing, *inter alia*, for an abstract acknowledgement of indebtedness (*abstraktes Schuldanerkenntnis*) by the NRW Borrower; and

(g) a deed of pledge by which NRW Borrower as Security provider (i) has granted a first priority pledge over all its current bank accounts and (ii) is obliged to grant a first right of pledge over any bank accounts subject to Dutch law opened by it in the future.

(the documents in paragraph (a) to (f) are referred to as the **German NRW Security Agreements**, the document in paragraph (g) is referred to as the **Dutch NRW Security Agreement** and together with the German NRW Security Agreements, the **NRW Security Agreements)**.

The security interests created pursuant to the German NRW Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of the NRW Borrower to the Finance Parties under the Finance Documents. The German accessory security rights (*akzessorische Sicherheiten*) held by the Originator (which are contained in the document referred to in paragraph (e) above) will be transferred to the Issuer by operation of law as a result of the transfer of the NRW Loan to the Issuer pursuant to the Loan Transfer Agreements. The German non-accessory security rights (*nicht akzessorische Sicherheiten*) (which includes the NRW Mortgages) will be transferred to the Issuer pursuant to one or more German law assignment or transfer agreements.

Property Management

The NRW Properties are managed by Arslan Hausverwaltung GmbH (the **Current NRW Property Manager**).

Under the terms of the NRW Loan, the Obligors shall not extend or renew the property management agreement with the Current NRW Property Manager beyond December 2007 without the prior consent of the Facility Agent, (acting on the instructions of the Majority Lenders). Furthermore, the Obligors may not appoint any property manager without the prior consent of, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders). In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the NRW Borrower is entitled to terminate that property management agreement, the Majority Lenders can require the NRW Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Majority Lenders.

Valuation

As per the valuation carried out by BDO Deutsche Warentreuhand AG Wirtschaftsprüfungsgesellschaft (the **NRW Valuer**) dated 28/07/2006 (the **NRW Valuation**), the NRW Valuer has determined the market value of the NRW Properties, subject to the existing tenancies, to be, as at 01/06/2006 (the **NRW Valuation Date**), EUR 43,100,000. See *Appendix B – Summary Valuation* for a full copy of the Summary Valuation. On the basis of the valuation, the Loan to Value as at the Closing Date will be 80.8 per cent.

Each year on or about each anniversary of the first utilisation date, the NRW Borrower must at its own cost supply to the Facility Agent a valuation report in respect of the NRW Properties prepared by a valuer or surveyor acceptable to the Facility Agent by means of a desktop update of the NRW Valuation (each an **Updated NRW Valuation**). The Facility Agent may, in addition thereto, at all times request an Updated NRW Valuation of the NRW Properties. Any such Updated NRW Valuation will be at the cost of the Lenders, unless a default is continuing or if the Majority Lenders reasonably suspect a default is continuing.

Description of Tenant(s)

The properties are occupied by private individuals.

Insurance

The NRW Borrower has undertaken to maintain insurance on the NRW Properties on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or as is otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Facility Agent.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The NRW Loan Agreement is governed by Dutch law.

TOMMY LOAN

Loan Information	
Original Balance:	EUR 52,000,000
Utilisation Date:	03/04/2006
Cut-Off Date LTV:	50.4%
Cut-Off Balance:	EUR 52,000,000
Loan Purpose:	Financing part of the purchase price for the properties
Loan Interest Payment Dates:	Quarterly
Interest Rate:	Floating rate
Interest Calculation:	Actual/360
Amortisation:	Repayment of the Loan in full on the maturity date
Maturity Date:	30/04/2016
Expected Maturity Balance:	EUR 52,000,000
Expected Maturity LTV:	50.4%
Borrowers:	IWF Düsseldorf B.V.; IWF H B.V.; IWF D.P. B.V., IWF BLG B.V., IWF BMGV B.V., IWF Wuppertal B.V.; IWF Frankfurt B.V., IWF Hannover B.V.; IWF Hamburg 2 B.V.; IWF Hamburg 1 B.V.; IWF Berlin B.V.; IWF München B.V.; IWF Gelsenkirchen B.V.
Guarantors:	IWF Duitsland Holding B.V. and the 13 Borrowers
Current Yield:	5.5%
Up-Front Reserves:	None
Cash Sweep:	Yes, see below
ICR Trigger for Default:	1.00x
DSCR Trigger for Default;	N/a
LTV Trigger for Default:	55%
Cut-Off Date ICR:	2.46x
Control/Pledge over Rent Account:	Pledge

Property Information	
Number of Properties:	861 residential units, 22 commercial units and 637 parking lots
Property Type:	Residential and commercial properties
Location:	Germany
Freehold or Leasehold:	Freehold
Valuation:	EUR 103,161,450
Valuation Date:	31/10/2006
Valuer:	Schmidt+Partner Immobiliensachverständige
Property Management:	Curanis Wohnimmobilien GmbH/Property Owner
Major Tenant(s):	Private individuals
Expected/Estimated Rental Value: **Net Rental Income:**	EUR 6.3 million EUR 5.6 million

The Loan and the Properties

The loan (the **Tommy Loan**) was originated by the Originator on 29 March 2006 and is primarily secured by a first priority mortgage on 449 apartments and 317 houses spread over Germany (jointly the **Tommy Properties** and each an **Tommy Property**).

The Obligor(s)

The borrowers under the loan agreement (the **Tommy Loan Agreement**) are IWF Düsseldorf B.V., IWF H B.V., IWF D.P. B.V., IWF BLG B.V., IWF BMGV B.V., IWF Wuppertal B.V., IWF Frankfurt B.V., IWF Hannover B.V., IWF Hamburg 2 B.V.; IWF Hamburg 1 B.V., IWF Berlin B.V., IWF München B.V. and IWF Gelsenkirchen B.V (the **Tommy Borrowers** and each an **Tommy Borrower**). The Tommy Borrowers are subsidiaries of IWF Duitsland Holding B.V. (**Tommy Holding**) and are private limited liability companies (*besloten vennootschappen*) incorporated under Dutch law. Tommy Holding and the Tommy Borrowers are Guarantors under the Tommy Loan.

The Tommy Borrowers used the proceeds of the Tommy Loan to finance part of the purchase price of the Tommy Properties.

Under the terms of the Tommy Loan Agreement, none of the Obligors shall trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the Tommy Properties.

Interest

Interest under the Tommy Loan must be paid in arrear in EURO on 30 March, 30 June, 30 September and 30 December of each year, commencing 30 June 2006 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

If, in respect of any Relevant Period, the Interest Cover requirement is not satisfied which, but for paragraph (b) of clauses 22.2 of the Tommy Loan Agreement) would constitute an event of default, accrued interest on the Tommy Loan will, if so requested by Tommy Holding, be compounded with the Tommy Loan at the end of each Loan Interest Period which ends during the period in which no event of default occurs by operation of paragraph (b) of clause 22.2 of the Tommy Loan Agreement. Relevant Period means: each period of twelve months ending on the last day of each of the financial years of Tommy Holding and each period of twelve months ending on the last day of the first half of each of the financial years of Tommy Holding.

Clause 22 (b) (*Financial covenants*) of the Tommy Loan Agreement relates to the Interest Cover requirement and reads as follows: No event of default in relation to the Interest Cover requirement will occur if:

(i) non-satisfaction of the Interest Cover requirement only results from the termination of one or more lease agreements to which any Tommy Property from part of the BLB Portfolio (as set out in the summary valuation) is subject;

(ii) the Interest Cover in respect of not more than the two consecutive Relevant Periods immediately ending prior to that Relevant Period was less than 1.0x; and

(iii) the Loan to Value in respect of that Relevant Period does not exceed 45% (whereby the Loan to Value shall be adjusted to take into account all accrued interest compounded with the Loans).

Hedging

Hedging arrangements in respect of 100% of the aggregate commitments should be in place as long as any amount is outstanding under the Tommy Loan Agreement or any commitment thereunder is in force. The original hedge counterparty, being the Originator, may be replaced by another Eligible Institution complying with minimum rating standards set out in the Tommy Loan Agreement.

Subordinated Debt

Under the Tommy Loan Agreement, IWF Duitsland C.V. is allowed to make loans to the Tommy Borrowers. The claims of IWF Duitsland C.V. under any such loans must be subordinated to the claims of the Lenders under Tommy Loan.

Repayment

The Tommy Borrowers must pay all amounts outstanding under the Tommy Loan in full on 30 April 2016. The expected maturity balance then is EUR 52,000,000.

Mandatory Prepayment

The Tommy Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations contemplated under the Tommy Loan Agreement or to fund or maintain its participation in the Tommy Loan, that Lender shall notify the Facility Agent upon becoming aware of that event. Upon the Facility Agent notifying Tommy Holding, the commitment of the relevant Lender will be immediately cancelled and the Tommy Borrowers shall repay the amount due to that Lender on the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law).

b. *Change of control:* if the person who directly or indirectly controls Tommy Holding at the date of the Tommy Loan Agreement ceases to control directly or indirectly Tommy Holding, Tommy Holding shall promptly notify the Facility Agent and the facilities will be cancelled and all outstanding amounts, together with accrued interest, and all other amounts accrued under the Tommy Loan, shall become immediately due and payable.

c. *Disposal of property*: if the Obligors sell all or substantially all of their assets (whether in a single transaction or a series of related transactions), the commitments will be cancelled and all outstanding amounts under the Tommy Loan, together with accrued interest, shall become immediately due and payable. Also, upon the occurrence of the disposal of a Tommy Property, the relevant Tommy Borrower shall prepay the Tommy Loan in an amount to the product of:

- 50% (the initial loan to value);
- the value of the disposed Tommy Property as indicated in the initial value; and
- 110% or, in the case of a disposal of an Tommy Property forming part of the BLB Portfolio, 105%.

d. *Cash Sweep*: If, as at the last day of any Relevant Period, the Loan to Value requirement is not satisfied, the Tommy Borrowers shall within 10 Business Days after Tommy Holding has supplied the consolidated financial statements to the Facility Agent by reference to which the Loan to Value is tested, prepay the Tommy Loan by an amount that is equal to the Net Operating Income for the Relevant Period minus the interest costs in respect of the facilities and taxes for that Relevant Period for so long and to the extent the Loan to Value exceeds 55%. Relevant Period means: each period of twelve months ending on the last day of each of the financial years of Tommy Holding and each period of twelve months ending on the last day of the first half of each of the financial years of Tommy Holding.

Voluntary Prepayment

An Tommy Borrower may, if it gives the Facility Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the Tommy Loan (if in part, by a minimum amount of EUR 1,000,000).

Also, if any sum payable to a Lender by an Obligor is required to be increased under the tax gross-up provisions of the Tommy Loan Agreement, or if a Lender claims indemnification from Tommy Holding under the tax indemnity or increased costs provisions of the Tommy Loan Agreement, Tommy Holding may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of cancellation of the commitment of the relevant Lender and its intention to procure the repayment of the Tommy Loan. On the date specified by Tommy Holding in that notice, the relevant Tommy Borrowers shall repay the amounts due to that Lender.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and (except in the case of any prepayment in connection with the disposal of a single Tommy Property *(uitponden*)) a prepayment fee.

Security Package

The Obligors under the Tommy Loan Agreement have granted security rights over certain of their assets and rights in favour of the Originator pursuant to the following security agreements:

(a) certain notarial deeds pursuant to which the Tommy Borrowers have granted certificated comprehensive mortgages (*Gesamtbriefgrundschulden*) over the Tommy Properties (the **Tommy Mortgages**);

(b) a security purposes agreement (*Sicherungszweckvereinbarung*) in respect of each of the Tommy Mortgages;

(c) an agreement on the assignment of rental income in relation to the Tommy Properties by way of security (*Sicherungsabtretung*) by the Tommy Borrowers;

(d) an agreement on the assignment of insurance claims in relation to the Tommy Properties by way of security (*Sicherungsabtretung*) by the Tommy Borrower;

(e) an account pledge agreement relating to, *inter alia*, the current accounts held by the Tommy Borrowers in Germany and any bank account subject to German law opened in the future by the Tommy Borrowers;

(f) a security trust agreement providing, *inter alia*, for an abstract acknowledgement of indebtedness (*abstraktes Schuldanerkenntnis*) by the Obligors; and

(g) 13 notarial deeds of pledge by which all current and future shares in the Tommy Borrowers have been pledged by Tommy Holding.

(the documents in paragraph (a) to (f) are referred to as the **German Tommy Security Agreements**, the document in paragraph (g) is referred to as the **Dutch Tommy Security Agreement** and together with the German Tommy Security Agreements and the Tommy Guarantees, the **Tommy Security Agreements**).

The security interests created pursuant to the Dutch Tommy Security Agreement were created in favour of the Originator (in its capacity as initial security agent and as a parallel creditor under the parallel debt undertaking contained in the Tommy Loan Agreement) and secure an amount equal to all of the liabilities of the Obligors to the Finance Parties under the Finance Documents. The security interests created pursuant to the Dutch Tommy Security Agreement will be transferred to the Issuer by operation of law as a result of the transfer of the Tommy Loan including all the rights and obligations in respect of the parallel debt undertaking contained in the Tommy Loan Agreement to the Issuer pursuant to the Loan Transfer Agreements.

The security interests created pursuant to the German Tommy Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of the Obligors to the Finance Parties under the Finance Documents. The German accessory security rights (*akzessorische Sicherheiten*) held by the Originator (which are contained in the document referred to in paragraph (e) above) will be transferred to the Issuer by operation of law as a result of the transfer of the Tommy Loan to the Issuer pursuant to the Loan Transfer Agreements. The German non-accessory security rights (*nicht akzessorische Sicherheiten*) (which includes the Tommy Mortgages) will be transferred to the Issuer pursuant to one or more German law assignment or transfer agreements.

Property Management

No Obligor may appoint any property manager without the prior consent of, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders). In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the relevant Obligor is entitled to terminate that property management agreement, the Majority Lenders can require that Obligor to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Majority Lenders.

Valuation

As per the valuations carried out by Schmidt + Partner Immobiliensachverständige (the **Tommy Valuer**) dated 13/11/2006 (the **Tommy Valuation**), the Tommy Valuer has determined the market value of the Tommy Properties, subject to the existing tenancies, to be, as at 31/10/2006 (the **Tommy Valuation Date**), EUR 103,161,450. See *Appendix B – Summary Valuation* for a full copy of the Summary Valuation. On the basis of the Tommy Valuation, the Loan to Value as at the Closing Date will be 50.4 per cent.

Two-yearly on or about each second anniversary of the first utilisation date, Tommy Holding must at its own cost supply to the Facility Agent a valuation report in respect of the Tommy Properties prepared by a valuer or surveyor acceptable to the Facility Agent by means of a desktop update of the valuation (each an **Updated Tommy Valuation**). The Facility Agent may, in addition thereto, at all times request an Updated Tommy Valuation of the Tommy Properties. Any such Updated Tommy Valuation will be at the cost of the Lenders, unless:

- a default is continuing or if the Majority Lenders reasonably suspect a default is continuing; or
- at any time when a lease agreement to which any Tommy Property forming part of the BLB Portfolio is subject, is terminated.

Description of Tenant(s)

The BLB Portfolio is rented out in three separate contracts to the German Government (*Der Bundesrepublik Deutschland*). The houses are inhabited by soldiers serving in the British army.

The other portfolio consists of apartment buildings, occupied by private individuals, in residential areas in eight German cities.

Insurance

Each Obligor has undertaken to maintain insurance on the Tommy Properties on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or as is otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Facility Agent.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The Tommy Loan Agreement is governed by Dutch law.

DERRICK LOAN

Loan Information	
Original Balance:	EUR 3,800,000
Utilisation Date:	04/09/2006
Cut-Off Date LTV:	75.2%
Cut-Off Balance:	EUR 3,762,000
Loan Purpose:	Funding part of the loan made by the Borrower to the Guarantor to enable the Guarantor to finance the purchase price for the property
Loan Interest Payment Dates:	The 15th day of each January, April, July and October, commencing 15/10/2006
Interest Rate:	Floating rate
Interest Calculation:	Actual/360
Amortisation:	Quarterly, on each loan interest payment date, EUR 19,000
Maturity Date:	02/09/2013
Expected Maturity Balance:	EUR 3,268,000
Expected Maturity LTV:	65.4%
Borrower:	Alliance XII C.V.
Guarantor:	Valbonne Real Estate 8 B.V.
Current Yield:	6.5%
Up-Front Reserves:	None
Cash Sweep:	Yes, see below
ICR Trigger for Default:	1.50x
DSCR Trigger for Default;	N/a
LTV Trigger for Default	80%
Cut-Off Date ICR:	1.68x
Control/Pledge over Rent Account:	No

Property Information	
Number of Properties:	1
Property Type:	Offices
Location:	Hildesheim (Germany)
Freehold or Leasehold:	Freehold
Valuation:	EUR 5,000,000
Valuation Date:	23/05/2006
Valuer:	Sachverständigebüro Dipl.-Volkswirt Walter Finger
Property Management:	Property Owner
Major Tenant(s):	Das Land Niedersachsen
Expected/Estimated Rental Value:	EUR 0.3 million
Net Rental Income:	EUR 0.3 million

The Loan and the Property

The loan (the **Derrick Loan**) was originated by the Originator on 31 August 2006 and is primarily secured by a first priority mortgage on an office building located in Hildesheim (the **Derrick Property**) in the principal amount of EUR 3,800,000.

The Obligor(s)

The borrower under the loan agreement (the **Derrick Loan Agreement**) is Alliance XII C.V., a limited partnership (*commanditaire vennootschap*) incorporated in the Netherlands on 15 June 2006 with registered number 17192465 (the **Derrick Borrower**). The registered office of the Derrick Borrower is at Stratumsedijk 16, 5611 ND Eindhoven, the Netherlands. The Derrick Borrower is acting through its general partner (*beherend vennoot*) Stichting Beheer Alliance XII, a foundation incorporated in the Netherlands on 24 May 2005 with registered number 17191377 (the **Derrick Foundation**). The registered office of the Derrick Foundation is at Elzentlaan 31, 5611 LH Eindhoven, the Netherlands. The Derrick Foundation is an Obligor under the Derrick Loan.

The Derrick Borrower used the proceeds of the Derrick Loan to fund part of a loan (the **Valbonne 8 Loan**) made by it to Valbonne Real Estate 8 B.V. (**Valbonne 8**) to enable Valbonne 8 to finance the purchase price for the Derrick Property. Valbonne 8 holds legal title to the Derrick Property. Valbonne 8 is Guarantor under the Derrick Loan.

Under the terms of the Derrick Loan Agreement, none of the Obligors shall trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the Derrick Property.

Interest

Interest under the Derrick Loan must be paid in arrear in euro on 15 January, 15 April, 15 July and 15 October of each year, commencing 15th October 2006 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Hedging

Hedging arrangements in respect of 100% of the aggregate commitments should be in place as long as any amount is outstanding under the Derrick Loan Agreement or any commitment thereunder is in force. The original hedge counterparty, being the Originator, may be replaced by another Eligible Institution complying with minimum rating standards set out in the Derrick Loan Agreement.

Repayment

On 15 January, 15 April, 15 July and 15 October of each year, commencing 15th October 2006 (subject to non-Business Day adjustment) (each a **Repayment Date**), the Derrick Borrower must pay an amount of EUR 19,000 in *pro rata* repayment of the Derrick Loan (the **Scheduled Amortisation Payments**). Unless the Derrick Borrower has prepaid the Derrick Loan, it will be required to repay all amounts outstanding under the Derrick Loan Agreement in full on 2 September 2013.

Mandatory Prepayment

The Derrick Loan includes the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations contemplated under the Derrick Loan Agreement or to fund or maintain its participation in the Derrick Loan, that Lender shall notify the Facility Agent upon becoming aware of that event. Upon the Facility Agent notifying the Derrick Borrower, the commitment of the relevant Lender will be immediately cancelled and the Derrick Borrower shall repay the amount due to that Lender on the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law). The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce *pro rata* by the amount mandatorily prepaid.

b. *Change of control:* if the Derrick Foundation ceases to be the general partner of the Derrick Borrower, or the person who directly or indirectly controls the Derrick Foundation ceases to control directly or indirectly the Derrick Foundation, the Derrick Borrower shall promptly notify the Facility Agent and the facilities will be cancelled and all outstanding amounts under the Derrick Loan, together with accrued interest, shall become immediately due and payable.

c. *Cash Sweep*: If, at the last day of any Relevant Period, the Interest Cover requirement or the Loan to Value requirement is not satisfied, the Derrick Borrower shall within 10 Business Days after it has supplied the financial statements and/or Compliance Certificate to the Facility Agent by reference to which these requirements are tested, prepay the Derrick Loan by an amount that is equal to (A) the Net Operating Income for that Relevant Period minus (B) the aggregate amount of all interest and other periodic financing charges plus repayments and prepayments of principal paid in respect of any Financial Indebtedness for that Relevant Period. Relevant Period means: each period of twelve months ending on the last day of each of the financial quarters of the Derrick Borrower. The Scheduled Amortisation Payments becoming due after any such mandatory prepayments will reduce in inverse chronological order by the amounts mandatorily prepaid.

Voluntary Prepayment

The Derrick Borrower may, if it gives the Facility Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the Derrick Loan (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Also, if any sum payable to a Lender by the Derrick Borrower is required to be increased under the tax gross-up provisions of the Derrick Loan Agreement, or if a Lender claims indemnification from the Derrick Borrower under the tax indemnity or increased costs provisions of the Derrick Loan Agreement, the Derrick Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of cancellation of the commitment of the relevant Lender and its intention to procure the repayment of the Derrick Loan. On the date specified by the Derrick Borrower in that notice, the Derrick Borrower shall repay the amount due to that Lender. The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce *pro rata* by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and a prepayment fee.

Security Package

The Obligors under the Derrick Loan Agreement have granted security rights over certain of their assets and rights in favour of the Originator pursuant to the following security agreements:

(a) a notarial deed pursuant to which the Valbonne Real Estate 8 B.V. (the **Derrick Guarantor**) has granted a certificated mortgage (*Briefgrundschuld*) over the Derrick Property in the principal amount of EUR 4,000,000 (the **Derrick Mortgage**);

(b) a security purposes agreement (*Zweckbestimmungserklarung*) in respect of each of the Derrick Mortgage;

(c) an agreement on the assignment of all rights and claims arising from the leases and all rights and claims under the insurance policy in relation to the Derrick Property by way of security (*Sicherungsvertrag*) by the Derrick Borrower;

(d) a deed of undisclosed pledge of loan receivables between Alliance XII C.V. and NIBC Bank N.V. granting a first priority security interest in the Valbonne 8 Loan.

(the documents in paragraph (a) to (c) are referred to as the **German Derrick Security Agreements**, the document in paragraph d. is referred to as the **Dutch Derrick Security Agreement** and together with the German Derrick Security Agreements, the **Derrick Security Agreements)**.

The security interests created pursuant to the Dutch Derrick Security Agreement were created in favour of the Originator (in its capacity as initial security agent and as a parallel creditor under the parallel debt undertaking contained in the Derrick Loan Agreement) and secure an amount equal to all of the liabilities of the Obligors to the Finance Parties under the Finance Documents. The security interests created pursuant to the Dutch Derrick Security Agreement will be transferred to the Issuer by operation of law as a result of the transfer of the Derrick Loan including all the rights and obligations in respect of the parallel debt undertaking contained in the Derrick Loan Agreement to the Issuer pursuant to the Loan Transfer Agreements.

The security interests created pursuant to the German Derrick Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of the Obligors to the Finance Parties under the Finance Documents. The German non-accessory security rights (*nicht akzessorische Sicherheiten*) (which includes the Derrick Mortgage) will be transferred to the Issuer pursuant to one or more German law assignment or transfer agreements.

Property Management

The Obligors may not appoint any property manager without the prior consent of, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders). In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the Derrick Borrower is entitled to terminate that property management agreement, the Majority Lenders can require the Derrick Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Majority Lenders.

Also, the Obligors shall appoint a property manage acceptable to, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders) within 12 months after the first utilisation date.

Valuation

As per the valuation carried out by Sachverständigebüro Dipl.-Volkswirt Walter Finger (the **Derrick Valuer**) dated 26/05/2006 (the **Derrick Valuation**), the Derrick Valuer has determined the market value of the Derrick Property, subject to the existing tenancies, to be, as at 23/05/2006 (the **Derrick Valuation Date**), EUR 5,000,000. See *Appendix B – Summary Valuation* for a full copy of the Summary Valuation. On the basis of the Derrick Valuation, the Loan to Value as at the Closing Date will be 75.2 per cent.

Two-yearly on or about each second anniversary of the first utilisation date, the Derrick Borrower must at its own cost supply to the Facility Agent a valuation report in respect of the Derrick Property prepared by a valuer or surveyor acceptable to the Facility Agent by means of a desktop update of the valuation (each an **Updated Derrick Valuation**). The Facility Agent may, in addition thereto, at all times request an Updated Derrick Valuation of the Derrick Property. Any such Updated Derrick Valuation will be at the cost of the Lenders, unless a default is continuing or if the Majority Lenders reasonably suspect a default is continuing.

Description of Tenant(s)

The State of Lower Saxony (*das Land Niedersachsen, Göttingen Kriminal Polizei*) is tenant of the Derrick Property. According to the conditions precedent to the Derrick Loan, the lease should not expire prior to August 2020 and the tenant should not have any rights to early terminate the lease. The annual gross rental income should exceed EUR 324,000.

Insurance

The Derrick Guarantor has undertaken to maintain insurance on the Derrick Property on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or as is otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Facility Agent.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The Derrick Loan Agreement is governed by Dutch law.

TOR LOANS

Loan Information	
Original Balance:	Aggregate facility amount is EUR 191,650,000
Utilisation Date:	20/10/2006
Cut-Off Date LTV:	82.9%
Cut-Off Balance:	EUR 191,650,000
Loan Purpose:	Financing part of the purchase price for the properties
Loan Interest Payment Dates:	Quarterly, beginning on 15/01/2007
Interest Rate:	Floating rate
Interest Calculation:	Actual/360
Amortisation:	See the repayment schedules below
Maturity Date:	30/09/2013
Expected Maturity Balance:	EUR 171,130,000
Expected Maturity LTV:	74.0%
Borrowers:	Speymill Deutsche Immobilien 3 Limited; Speymill Deutsche Immobilien 5 Limited; Speymill Deutsche Immobilien 6 Limited; Speymill Deutsche Immobilien 8 Limited; Speymill Deutsche Immobilien 12 Limited; Speymill Deutsche Immobilien 14 Limited; Speymill Deutsche Immobilien 15 Limited; Speymill Deutsche Immobilien 16 Limited; Speymill Deutsche Immobilien 17 Limited; Speymill Deutsche Immobilien 18 Limited; Speymill Deutsche Immobilien 19 Limited; Speymill Deutsche Immobilien 20 Limited and Speymill Deutsche Immobilien 22 Limited
Guarantors:	The 13 borrowers guarantee each others obligations
Current Yield:	6.7%
Up-Front Reserves:	EUR 5,250,000 in a maintenance reserve account at the first utilisation date
Cash Sweep:	No
ICR Trigger for Default:	1.15x
DSCR Trigger for Default;	N/A
LTV Trigger for Default:	87.5% (in respect of the loans/properties taken as a whole)
Cut-Off Date ICR:	1.63x
Control/Pledge over Rent Account:	Pledge

Property Information	
Number of Properties:	82
Property Type:	3114 residential units and 103 commercial units
Location:	Germany
Freehold or Leasehold:	3 properties in the total portfolio are leasehold (2.4% of rental income)
Valuation:	EUR 231,139,042
Valuation Date:	01/08/2006
Valuer:	DTZ Zadelhoff Tie Leung GmbH
Property Management:	GOAL Service GmbH
Major Tenant(s):	Private individuals
Expected/Estimated Rental Value:	EUR 15.4 million
Net Rental Income:	EUR 17.3 million

Amortisation													
	SDI 3	**SDI 5**	**SDI 6**	**SDI 8**	**SDI 12**	**SDI 14**	**SDI 15**	**SDI 16**	**SDI 17**	**SDI 18**	**SDI 19**	**SDI 20**	**SDI 22**
October 15, 2007	€81,250	€ 75,000	€ 62,500	€ 87,500	€ 75,000	€ 25,000	€ 81,250	€ 76,250	€ 40,000	€ 50,000	€ 42,500	€ 35,000	€ 43,750
January 15, 2008	€ 81,250	€ 75,000	€ 62,500	€ 87,500	€ 75,000	€ 25,000	€ 81,250	€ 76,250	€ 40,000	€ 50,000	€ 42,500	€ 35,000	€ 43,750
April 15, 2008	€ 81,250	€ 75,000	€ 62,500	€ 87,500	€ 75,000	€ 25,000	€ 81,250	€ 76,250	€ 40,000	€ 50,000	€ 42,500	€ 35,000	€ 43,750
July 15, 2008	€ 81,250	€ 75,000	€ 62,500	€ 87,500	€ 75,000	€ 25,000	€ 81,250	€ 76,250	€ 40,000	€ 50,000	€ 42,500	€ 35,000	€ 43,750
October 15, 2008	€ 81,250	€ 75,000	€ 68,750	€ 87,500	€ 87,500	€ 50,000	€ 75,000	€ 73,750	€ 66,250	€ 75,000	€ 70,000	€ 40,000	€ 56,250
January 15, 2009	€ 81,250	€ 75,000	€ 68,750	€ 87,500	€ 87,500	€ 50,000	€ 75,000	€ 73,750	€ 66,250	€ 75,000	€ 70,000	€ 40,000	€ 56,250
April 15, 2009	€ 81,250	€ 75,000	€ 68,750	€ 87,500	€ 87,500	€ 50,000	€ 75,000	€ 73,750	€ 66,250	€ 75,000	€ 70,000	€ 40,000	€ 56,250
July 15, 2009	€ 81,250	€ 75,000	€ 68,750	€ 87,500	€ 87,500	€ 50,000	€ 75,000	€ 73,750	€ 66,250	€ 75,000	€ 70,000	€ 40,000	€ 56,250
October 15, 2009	€ 75,000	€ 62,500	€ 68,750	€ 75,000	€ 87,500	€ 50,000	€ 68,750	€ 75,000	€ 68,750	€ 81,250	€ 75,000	€ 35,000	€ 50,000
January 15, 2010	€ 75,000	€ 62,500	€ 68,750	€ 75,000	€ 87,500	€ 50,000	€ 68,750	€ 75,000	€ 68,750	€ 81,250	€ 75,000	€ 35,000	€ 50,000
April 15, 2010	€ 75,000	€ 62,500	€ 68,750	€ 75,000	€ 87,500	€ 50,000	€ 68,750	€ 75,000	€ 68,750	€ 81,250	€ 75,000	€ 35,000	€ 50,000
July 15, 2010	€ 75,000	€ 62,500	€ 68,750	€ 75,000	€ 87,500	€ 50,000	€ 68,750	€ 75,000	€ 68,750	€ 81,250	€ 75,000	€ 35,000	€ 50,000
October 15, 2010	€ 75,000	€ 62,500	€ 75,000	€ 75,000	€ 62,500	€ 43,750	€ 75,000	€ 68,750	€ 62,500	€ 81,250	€ 72,500	€ 40,000	€ 55,000
January 15, 2011	€ 75,000	€ 62,500	€ 75,000	€ 75,000	€ 62,500	€ 43,750	€ 75,000	€ 68,750	€ 62,500	€ 81,250	€ 72,500	€ 40,000	€ 55,000
April 15, 2011	€ 75,000	€ 62,500	€ 75,000	€ 75,000	€ 62,500	€ 43,750	€ 75,000	€ 68,750	€ 62,500	€ 81,250	€ 72,500	€ 40,000	€ 55,000
July 15, 2011	€ 75,000	€ 62,500	€ 75,000	€ 75,000	€ 62,500	€ 43,750	€ 75,000	€ 68,750	€ 62,500	€ 81,250	€ 72,500	€ 40,000	€ 55,000
October 15, 2011	€ 112,500	€ 93,750	€ 100,000	€ 100,000	€ 106,250	€ 56,250	€ 100,000	€ 93,750	€ 75,000	€ 100,000	€ 96,250	€ 50,000	€ 70,000
January 15, 2012	€ 112,500	€ 93,750	€ 100,000	€ 100,000	€ 106,250	€ 56,250	€ 100,000	€ 93,750	€ 75,000	€ 100,000	€ 96,250	€ 50,000	€ 70,000
April 15, 2012	€ 112,500	€ 93,750	€ 100,000	€ 100,000	€ 106,250	€ 56,250	€ 100,000	€ 93,750	€ 75,000	€ 100,000	€ 96,250	€ 50,000	€ 70,000
July 15, 2012	€ 112,500	€ 93,750	€ 100,000	€ 100,000	€ 106,250	€ 56,250	€ 100,000	€ 93,750	€ 75,000	€ 100,000	€ 96,250	€ 50,000	€ 70,000
October 15, 2012	€ 50,000	€ 43,750	€ 37,500	€ 50,000	€ 50,000	€ 28,750	€ 47,500	€ 50,000	€ 47,500	€ 56,250	€ 50,000	€ 25,000	€ 37,500
January 15, 2013	€ 50,000	€ 43,750	€ 37,500	€ 50,000	€ 50,000	€ 28,750	€ 47,500	€ 50,000	€ 47,500	€ 56,250	€ 50,000	€ 25,000	€ 37,500
April 15, 2013	€ 50,000	€ 43,750	€ 37,500	€ 50,000	€ 50,000	€ 28,750	€ 47,500	€ 50,000	€ 47,500	€ 56,250	€ 50,000	€ 25,000	€ 37,500
July 15, 2013	€ 50,000	€ 43,750	€ 37,500	€ 50,000	€ 50,000	€ 28,750	€ 47,500	€ 50,000	€ 47,500	€ 56,250	€ 50,000	€ 25,000	€ 37,500

The Loans and the Properties

The loans (jointly the **TOR Loans** and each a **TOR Loan**) were originated by the Originator on 17 October 2006 and are primarily secured by first priority security interests in various properties located in various cities in Germany (jointly the **TOR Properties** and each a **TOR Property**).

The Obligor(s)

The borrowers under the loan agreements (jointly the **TOR Loan Agreements** and each a **TOR Loan Agreement**) are Speymill Deutsche Immobilien 3 Limited, Speymill Deutsche Immobilien 5 Limited, Speymill Deutsche Immobilien 6 Limited, Speymill Deutsche Immobilien 8 Limited, Speymill Deutsche Immobilien 12 Limited, Speymill Deutsche Immobilien 14 Limited, Speymill Deutsche Immobilien 15 Limited, Speymill Deutsche Immobilien 16 Limited, Speymill Deutsche Immobilien 17 Limited, Speymill Deutsche Immobilien 18 Limited, Speymill Deutsche Immobilien 19 Limited, Speymill Deutsche Immobilien 20 Limited and Speymill Deutsche Immobilien 22 Limited (jointly the **TOR Borrowers** and each a **TOR Borrower)**. Each TOR Borrower is a subsidiary of Speymill Deutsche Immobilien Company Plc (**TOR Holding**). Each TOR Borrower is a private company limited by shares incorporated under Isle of Man law. Each TOR Borrower has given a guarantee in respect of the other TOR Loans.

The TOR Borrowers used the proceeds of the TOR Loans to finance part of the purchase price of the TOR Properties.

Under the terms of the TOR Loan Agreements, no TOR Borrower shall trade, carry on any business or own any assets other than (or in connection with) the ownership and management of the TOR Properties owned by it.

Interest

Interest under each TOR Loan must be paid in arrear in EURO on 15 January, 15 April, 15 July and 15 October of each year, commencing 15 January 2007 (each a **Loan Interest Payment Date**) in respect of successive three month interest periods (each a **Loan Interest Period**).

If a Loan Interest Period would otherwise end on a day which is not a Business Day, that Loan Interest Period will instead end on the preceding Business Day (being a day (other than Saturday or Sunday) on which banks are open for general business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (**TARGET**) is open for the settlement of payments in euro).

Maintenance Reserve Account

TOR Holding has opened an account with UBS AG, London Branch for the sole purpose of financing refurbishment and maintenance costs in respect of the TOR Properties (the **Maintenance Reserve Account**). An amount of EUR 5,250,000 is currently standing to the credit of the Maintenance Reserve Account.

Hedging

In respect of each TOR Loan, hedging arrangements in respect of 100% of the aggregate commitments should be in place as long as any amount is outstanding under that TOR Loan or any commitment thereunder is in force. The original hedge counterparty, being the Originator, may be replaced by another Eligible Institution complying with minimum rating standards set out in the TOR Loan Agreements.

Subordinated Shareholder Loans

Under the TOR Loan Agreements, TOR Holding is allowed to make shareholder loans to the TOR Borrowers. Under a subordination agreement dated 17 October 2006 (the **TOR Subordination Agreement**), the claims of TOR Holding arising under any such loans have been subordinated to the claims of the Lenders arising under the TOR Loans. Payment of principal and interest in respect of any of these shareholder loans by a TOR Borrower is only allowed if no default is continuing under the TOR Loan Agreement with that TOR Borrower.

Repayment

On 15 January, 15 April, 15 July and 15 October of each year, commencing 15 October 2007 (subject to non-Business Day adjustment) (each a **TOR Repayment Date**), each TOR Borrower must pay the amount set out in the relevant repayment schedule above in *pro rata* repayment of the TOR Loan made to it (the **TOR Scheduled Amortisation Payments**).

However, a TOR Borrower is not required to make a TOR Scheduled Amortisation Payment on a TOR Repayment Date (other than the Final Maturity Date), if as at the day of receipt of a valuation (the **TOR Test Date**), the Loan to Value (in respect of the TOR Loans and TOR Properties taken as a whole) is less than the percentage set out below in the column for that TOR Test Date:

TOR Test Date falling on or about:	*Loan to Value:*
31 August 2007	85.3%
31 August 2008	84.0%
31 August 2009	82.5%
31 August 2010	81.0%
31 August 2011	79.5%; and
31 August 2012	77.5%

Unless a TOR Borrower has prepaid the TOR Loan made to it, it will be required to repay all amounts outstanding under that TOR Loan Agreement in full on 30 September 2013.

Mandatory Prepayment

The TOR Loans include the following mandatory prepayment events:

a. *Illegality*: if it is or becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations contemplated under a TOR Loan Agreement or to fund or maintain its participation in a TOR Loan, that Lender shall notify the Facility Agent upon becoming aware of that event. Upon the Facility Agent notifying the relevant TOR Borrower, the commitment of the relevant Lender will be immediately cancelled and the relevant TOR Borrower shall repay the amount due to that Lender on the date specified by that Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law). The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce *pro rata* by the amount mandatorily prepaid.

b. *Disposal of property*: Upon the occurrence of the disposal of a TOR Property, the relevant TOR Borrower shall prepay the relevant TOR Loan in an amount equal to the product of:

- 82.9% (the initial loan to value in respect of the TOR Loans and the TOR Properties taken as a whole);
- the value of the disposed TOR Property as indicated in the initial value; and
- 110%.

The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

c. *Disposal of shares:* Upon the occurrence of the disposal of all issued shares of a TOR Borrower, that TOR Borrower shall prepay the relevant TOR Loan made to it in an amount equal to the product of:

- 82.9% (the initial loan to value in respect of the TOR Loans and the TOR Properties taken as a whole);
- the value of the relevant TOR Properties as indicated in the TOR Valuation which are owned by that TOR Borrower; and
- 100% (if no more than two of the other TOR Borrowers have already been disposed of by TOR Holding) or 110% (in all other cases).

The Scheduled Amortisation Payments becoming due after any such mandatory prepayment will reduce in inverse chronological order by the amount mandatorily prepaid.

Voluntary Prepayment

A TOR Borrower may, if it gives the Facility Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the relevant TOR Loan made to it (if in part, by a minimum amount of EUR 1,000,000). The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Also, if any sum payable to a Lender by a TOR Borrower is required to be increased under the tax gross-up provisions of the relevant TOR Loan Agreement, or if a Lender claims indemnification from a TOR Borrower under the tax indemnity or increased costs provisions of the relevant TOR Loan Agreement, the relevant TOR Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of cancellation of the commitment of the relevant Lender and its intention to procure the repayment of the relevant TOR Loan. On the date specified by that TOR Borrower in that notice, it shall repay the amounts due to that Lender. The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce *pro rata* by the amount voluntarily prepaid.

Furthermore, if at any Test Date (as defined above under the heading Repayment) the Loan to Value (in respect of the TOR Loans and the TOR Properties taken as a whole) exceeds the relevant percentage (as also set out above under the heading Repayment), the relevant TOR Borrower may within 20 Business Days after that Test Date prepay the relevant TOR Loan made to it by such an amount (as determined by the Facility Agent and taking into account the aggregate amount of any similar prepayments made or to be made by the other TOR Borrowers under the other TOR Loans) that if the prepayment by that TOR Borrower and the prepayments by the other TOR Borrowers would have been made immediately prior to that Test Date, the Loan to Value as at that Test Date would have been less than that relevant percentage. The Scheduled Amortisation Payments becoming due after any such voluntary prepayment will reduce in inverse chronological order by the amount voluntarily prepaid.

Prepayment Fees

Any voluntary or mandatory prepayment must be made together with accrued interest on the amount prepaid, together with break costs and a prepayment fee.

Specific Events of Default

Cross-default: an Event of Default under a TOR Loan Agreement (other than an Event of Default triggered by breach of financial covenants) will also trigger an Event of Default under the other TOR Loan Agreements.

TOR Subordination Agreement: an Event of Default will be triggered (i) if any of the obligations under the TOR Subordination Agreement is or becomes unlawful, (ii) if any party to the TOR Subordination Agreement fails to comply with the provisions of, or does not comply with its obligations under the TOR Subordination Agreement (with a remedy period of 10 Business Days), or (iii) if a representation or warranty given in the TOR Subordination Agreement is incorrect in any material respect (with a remedy period of 10 Business Days).

Security Package

The TOR Borrowers have granted security rights over certain of their assets and rights in favour of the Originator pursuant to the following security agreements:

(a) certain notarial deeds pursuant to which the TOR Borrowers have granted certificated mortgages (*Briefgrundschulden*) over the TOR Properties (the **TOR Mortgages**);

(b) a security purposes agreement (*Sicherungszweckvereinbarung*) in respect of each of the TOR Mortgages;

(c) agreements on the assignment of rental income in relation to the TOR Properties by way of security (*Sicherungsabtretung*) by the TOR Borrowers;

(d) agreements on the assignment of insurance claims in relation to the TOR Properties by way of security (*Sicherungsabtretung*) by the TOR Borrowers;

(e) a security trust agreement providing, *inter alia*, for an abstract acknowledgement of indebtedness (*abstraktes Schuldanerkenntnis*) by the TOR Borrowers;

(f) account charge agreements relating to, *inter alia*, the current accounts held by the TOR Borrowers and any bank account opened in the future by the TOR Borrowers;

(g) an account pledge agreement relating to the Maintenance Reserve Account by TOR Holding; and

(h) an agreement by which all current and future shares in the TOR Borrowers have been pledged by TOR Holding.

(the documents in paragraphs (a) to (e) are referred to as the **German TOR Security Agreements**, the documents in paragraphs (f) and (h) are referred to as the **Isle of Man TOR Security Agreements** and the document in paragraph (g) is referred to as the **English TOR Security Agreement** and together with the German TOR Security Agreements and the Isle of Man TOR Security Agreements, the **TOR Security Agreements**).

The security interests created pursuant to the German TOR Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of the TOR Borrowers to the Finance Parties under the Finance Documents. The German non-accessory security rights (*nicht akzessorische Sicherheiten*) (which includes the TOR Mortgages) will be transferred to the Issuer pursuant to one or more German law assignment or transfer agreements.

The security interests created pursuant to the English TOR Security Agreement were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of TOR Holding to the Finance Parties under the Finance Documents. The TOR Loans and any related security will be transferred to the Issuer pursuant to a Loan Transfer Agreement. The English TOR Security Agreement will be assigned to the Issuer.

The security interests created pursuant to the Isle of Man TOR Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and (i) secure all liabilities of the TOR Borrowers to the Finance Parties under the Finance Documents and (ii) secure all liabilities of TOR Holding to the Finance Parties under the Finance Documents. The Isle of Man TOR Security Agreements will be assigned to the Issuer.

Property Management

No TOR Borrower may appoint any property manager without the prior consent of, and on terms approved by, the Facility Agent (acting on the instructions of the Majority Lenders). In addition, if the property manager is in default of its obligations under a property management agreement and as a consequence the relevant TOR Borrower is entitled to terminate that property management agreement, the Majority Lenders can require that TOR Borrower to use all reasonable endeavours to terminate the relevant property management agreement and appoint a new property manager whose identity and terms of appointment are acceptable to the Majority Lenders.

Valuation

As per the valuation carried out by DTZ Zadelhoff Tie Leung GmbH (the **TOR Valuer**) dated 02/11/2006 (the **TOR Valuation**), the TOR Valuer has determined the market value of the TOR Properties, subject to the existing tenancies, to be, as at 01/08/2006 (the **TOR Valuation Date**), EUR 231,139,042. See *Appendix B – Summary Valuation* for a full copy of the Summary Valuation. On the basis of the TOR Valuation, the Loan to Value (in respect of the TOR Loans and the TOR Properties taken as a whole) as at the Closing Date will be 82.9 per cent.

Yearly on or about 31 August (for the first time on or about 31/08/2007), the TOR Borrowers must at their own cost supply to the Facility Agent a valuation report in respect of the TOR Properties prepared by a valuer or surveyor acceptable to the Facility Agent by means of a desktop update of the valuation (each an **Updated TOR Valuation**). The Facility Agent may, in addition thereto, at all times request an Updated TOR Valuation of the TOR Properties. Any such Updated TOR Valuation will be at the cost of the Lenders, unless a default is continuing or if the Majority Lenders reasonably suspect a default is continuing.

Description of Tenants

The properties are occupied by private individuals and some commercial tenants.

Insurance

Each TOR Borrower has undertaken to maintain insurance on the TOR Properties on a full reinstatement value basis. All insurances must be:

a. with an institution that has at least two of the following ratings for its long-term unsecured and non credit-enhanced debt obligations: A (or higher) by Fitch, A (or higher) by S&P, A2 (or higher) by Moody's, or a comparable rating from an internationally recognised credit rating agency or as is otherwise acceptable to the Facility Agent; and

b. in an amount and form acceptable to the Facility Agent.

See *Loan Documentation and Security – Loan Agreement – Insurance requirements* for a full description of the required insurance cover.

Governing Law

The TOR Loan Agreements are governed by English law.

PORTFOLIO INFORMATION

This information is correct as of 31/12/2006.

Cut-Off Date Securitised Principal Balance

Cut-Off Date Balances	Number of Loans	Aggregate Cut-Off Date Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Loan Balance	Aggregate Cut-Off Date Value (EUR)	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV	Weighted Average Seasoning (Years)	Weighted Average Remaining Term to Maturity (Years)	Weighted Average Cut-Off Date ICR	Weighted Average Cut-Off Date DSCR
Less than or equal to 30,000,000	4	51,705,900	10.5%	70,620,000	74.3%	68.5%	0.89	5.92	2.05	1.83
30,000,000 < x <= 60,000,000	3	121,025,000	24.5%	196,111,450	64.3%	58.4%	0.98	8.33	2.10	1.98
60,000,000 < x <= 90,000,000	0	0	0.0%	0	-	-	-	-	-	-
90,000,000 < x <= 120,000,000	0	0	0.0%	0	-	-	-	-	-	-
120,000,000 < x <= 150,000,000	1	129,187,500	26.2%	169,800,000	76.1%	64.0%	0.40	9.64	1.43	1.12
150,000,000 < x <= 180,000,000	0	0	0.0%	0	-	-	-	-	-	-
180,000,000 < x <= 210,000,000	1	191,650,000	38.8%	231,139,042	82.9%	74.0%	0.20	6.85	1.63	1.63
Total/WA	9	493,568,400	100.0%	667,670,492	75.7%	66.9%	0.52	7.85	1.73	1.60

Cut-Off Date Loan-to-Value Ratios

Cut-Off Date Loan-to-Value Ratios	Number of Loans	Aggregate Cut-Off Date Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Loan Balance	Aggregate Cut-Off Date Value (EUR)	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV	Weighted Average Seasoning (Years)	Weighted Average Remaining Term to Maturity (Years)	Weighted Average Cut-Off Date ICR	Weighted Average Cut-Off Date DSCR
Less than or equal to 55.0%	1	52,000,000	10.5%	103,161,450	50.4%	50.4%	0.76	9.47	2.46	2.46
55.0% < x <= 60.0%	0	0	0.0%	0	-	-	-	-	-	-
60.0% < x <= 65.0%	0	0	0.0%	0	-	-	-	-	-	-
65.0% < x <= 70.0%	2	60,600,000	12.3%	89,960,000	67.4%	63.9%	1.61	5.53	2.28	2.28
70.0% < x <= 75.0%	0	0	0.0%	0	-	-	-	-	-	-
75.0% < x <= 80.0%	2	132,949,500	26.9%	174,800,000	76.1%	64.0%	0.40	9.56	1.43	1.13
80.0% < x <= 85.0%	3	235,962,500	47.8%	285,599,042	82.6%	72.9%	0.23	7.31	1.59	1.52
85.0% < x <= 90.0%	1	12,056,400	2.4%	14,150,000	85.2%	78.7%	0.79	4.06	1.95	1.39
Total/WA	9	493,568,400	100.0%	667,670,492	75.7%	66.9%	0.52	7.85	1.73	1.60

Maturity Loan-to-Value Ratios

Maturity Loan-to-Value Ratios	Number of Loans	Aggregate Cut-Off Date Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Loan Balance	Aggregate Cut-Off Date Value (EUR)	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV	Weighted Average Seasoning (Years)	Weighted Average Remaining Term to Maturity (Years)	Weighted Average Cut-Off Date ICR	Weighted Average Cut-Off Date DSCR
Less than or equal to 55.0%	1	52,000,000	10.5%	103,161,450	50.4%	50.4%	0.76	9.47	2.46	2.46
55.0% < x <= 60.0%	0	0	0.0%	0	-	-	-	-	-	-
60.0% < x <= 65.0%	2	155,587,500	31.5%	209,910,000	74.3%	63.7%	0.51	9.04	1.59	1.34
65.0% < x <= 70.0%	3	72,787,000	14.7%	97,950,000	74.8%	65.2%	1.10	7.44	1.82	1.59
70.0% < x <= 75.0%	2	201,137,500	40.8%	242,499,042	82.9%	74.0%	0.23	6.87	1.62	1.60
75.0% < x <= 80.0%	1	12,056,400	2.4%	14,150,000	85.2%	78.7%	0.79	4.06	1.95	1.39
Total/WA	9	493,568,400	100.0%	667,670,492	75.7%	66.9%	0.52	7.85	1.73	1.60

Cut-Off Date ICR

Cut-Off Date ICR	Number of Loans	Aggregate Cut-Off Date Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Loan Balance	Aggregate Cut-Off Date Value (EUR)	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV	Weighted Average Seasoning (Years)	Weighted Average Remaining Term to Maturity (Years)	Weighted Average Cut-Off Date ICR	Weighted Average Cut-Off Date DSCR
140.0% < x <= 160.0%	3	173,500,000	35.2%	224,260,000	77.4%	64.8%	0.40	9.56	1.43	1.10
160.0% < x <= 180.0%	2	195,412,000	39.6%	236,139,042	82.8%	73.9%	0.20	6.85	1.63	1.62
180.0% < x <= 200.0%	1	12,056,400	2.4%	14,150,000	85.2%	78.7%	0.79	4.06	1.95	1.39
200.0% < x <= 220.0%	1	34,200,000	6.9%	49,850,000	68.6%	65.1%	2.03	5.07	2.20	2.20
220.0% < x <= 240.0%	1	26,400,000	5.3%	40,110,000	65.8%	62.4%	1.06	6.13	2.38	2.38
240.0% < x <= 260.0%	1	52,000,000	10.5%	103,161,450	50.4%	50.4%	0.76	9.47	2.46	2.46
Total/WA	9	493,568,400	100.0%	667,670,492	75.7%	66.9%	0.52	7.85	1.73	1.60

Cut-Off Date DSCR

Cut-Off Date DSCR	Number of Loans	Aggregate Cut-Off Date Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Loan Balance	Aggregate Cut-Off Date Value (EUR)	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV	Weighted Average Seasoning (Years)	Weighted Average Remaining Term to Maturity (Years)	Weighted Average Cut-Off Date ICR	Weighted Average Cut-Off Date DSCR
1.0% < x <= 1.3%	4	177,262,000	35.9%	229,260,000	77.4%	64.8%	0.40	9.50	1.44	1.11
1.3% < x <= 1.5%	1	12,056,400	2.4%	14,150,000	85.2%	78.7%	0.79	4.06	1.95	1.39
1.5% < x <= 1.8%	1	191,650,000	38.8%	231,139,042	82.9%	74.0%	0.20	6.85	1.63	1.63
1.8% < x <= 2.0%	0	0	0.0%	0	-	-	-	-	-	-
2.0% < x <= 2.3%	1	34,200,000	6.9%	49,850,000	68.6%	65.1%	2.03	5.07	2.20	2.20
2.3% < x <= 2.5%	2	78,400,000	15.9%	143,271,450	55.6%	54.3%	0.86	8.34	2.44	2.44
Total/WA	9	493,568,400	100.0%	667,670,492	75.7%	66.9%	0.52	7.85	1.73	1.60

Remaining Term to Maturity (Years)

Remaining Term to Maturity (Years)	Number of Loans	Aggregate Cut-Off Date Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Loan Balance	Aggregate Cut-Off Date Value (EUR)	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV	Weighted Average Seasoning (Years)	Weighted Average Remaining Term to Maturity (Years)	Weighted Average Cut-Off Date ICR	Weighted Average Cut-Off Date DSCR
4 < x <= 5	1	12,056,400	2.4%	14,150,000	85.2%	78.7%	0.79	4.06	1.95	1.39
5 < x <= 6	1	34,200,000	6.9%	49,850,000	68.6%	65.1%	2.03	5.07	2.20	2.20
6 < x <= 7	3	221,812,000	44.9%	276,249,042	80.8%	72.4%	0.30	6.76	1.72	1.71
7 < x <= 8	1	9,487,500	1.9%	11,360,000	83.5%	74.3%	0.77	7.35	1.42	1.10
8 < x <= 9	0	0	0.0%	0	-	-	-	-	-	-
9 < x <= 10	3	216,012,500	43.8%	316,061,450	70.7%	60.4%	0.47	9.63	1.68	1.43
Total/WA	9	493,568,400	100.0%	667,670,492	75.7%	66.9%	0.52	7.85	1.73	1.60

Seasoning (Quarters)

Seasoning (Quarters)	Number of Loans	Aggregate Cut-Off Date Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Loan Balance	Aggregate Cut-Off Date Value (EUR)	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV	Weighted Average Seasoning (Years)	Weighted Average Remaining Term to Maturity (Years)	Weighted Average Cut-Off Date ICR	Weighted Average Cut-Off Date DSCR
Less than or equal to 2	4	359,424,500	72.8%	449,039,042	80.2%	69.6%	0.28	8.14	1.54	1.38
2 < x <= 3	0	0	0.0%	0	-	-	-	-	-	-
3 < x <= 4	3	73,543,900	14.9%	128,671,450	60.4%	57.6%	0.76	8.31	2.24	2.11
4 < x <= 5	1	26,400,000	5.3%	40,110,000	65.8%	62.4%	1.06	6.13	2.38	2.38
5 < x <= 6	0	0	0.0%	0	-	-	-	-	-	-
6 < x <= 7	0	0	0.0%	0	-	-	-	-	-	-
7 < x <= 8	0	0	0.0%	0	-	-	-	-	-	-
8 < x <= 9	1	34,200,000	6.9%	49,850,000	68.6%	65.1%	2.03	5.07	2.20	2.20
Total/WA	9	493,568,400	100.0%	667,670,492	75.7%	66.9%	0.52	7.85	1.73	1.60

Property Value

Property Value	Number of Properties	Aggregate Cut-Off Date Value (EUR)	Percentage of Pool by Aggregate Property Value	Aggregate Cut-Off Date Allocated Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Allocated Loan Balance	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV
Less than or equal to 500,000	26	10,000,310	1.5%	8,151,962	1.7%	82.1%	72.8%
500,000 < x <= 1,000,000	31	23,303,495	3.5%	19,030,241	3.9%	82.1%	72.2%
1,000,000 < x <= 2,000,000	27	38,877,040	5.8%	32,143,819	6.5%	82.7%	73.1%
2,000,000 < x <= 5,000,000	31	104,774,632	15.7%	78,800,007	16.0%	77.2%	68.6%
5,000,000 < x <= 10,000,000	14	104,546,984	15.7%	66,964,860	13.6%	67.4%	62.4%
10,000,000 < x <= 15,000,000	13	152,297,904	22.8%	111,185,107	22.5%	75.3%	68.8%
15,000,000 < x <= 25,000,000	3	61,805,127	9.3%	49,138,841	10.0%	79.6%	67.5%
25,000,000 < x <= 45,000,000	3	92,165,000	13.8%	67,363,921	13.6%	73.4%	63.5%
45,000,000 < x <= 65,000,000	0	0	0.0%	0	0.0%	-	-
65,000,000 < x <= 85,000,000	1	79,900,000	12.0%	60,789,642	12.3%	76.1%	64.0%
Total/WA	149	667,670,492	100.0%	493,568,400	100.0%	75.7%	66.9%

Property Type

Property Type	Number of Properties	Aggregate Cut-Off Date Value (EUR)	Percentage of Pool by Aggregate Property Value	Aggregate Cut-Off Date Allocated Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Allocated Loan Balance	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV
Office	10	109,110,000	16.3%	76,418,402	15.5%	70.6%	66.3%
Office/Residential	20	11,360,000	1.7%	9,487,501	1.9%	83.5%	74.3%
Residential/Mixed	119	547,200,492	82.0%	407,662,497	82.6%	76.4%	66.9%
Total/WA	149	667,670,492	100.0%	493,568,400	100.0%	75.7%	66.9%

Property Location

Property Location	Number of Properties	Aggregate Cut-Off Date Value (EUR)	Percentage of Pool by Aggregate Property Value	Aggregate Cut-Off Date Allocated Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Allocated Loan Balance	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV
Germany - Baden - Wurttemberg	1	4,093,521	0.6%	3,394,162	0.7%	82.9%	74.0%
Germany - Bavaria	3	27,260,553	4.1%	19,254,783	3.9%	74.1%	67.1%
Germany - Berlin	57	249,832,545	37.4%	194,376,527	39.4%	78.1%	67.2%
Germany - Brandenburg	5	39,887,803	6.0%	33,073,156	6.7%	82.9%	74.0%
Germany - Hamburg	6	41,826,781	6.3%	28,601,678	5.8%	72.2%	65.6%
Germany - Hessen	2	9,058,254	1.4%	5,397,606	1.1%	63.2%	59.1%
Germany - Lower Saxony	10	19,281,924	2.9%	13,100,727	2.7%	71.1%	64.0%
Germany - North Rhine - Westphalia	53	168,465,551	25.2%	120,518,163	24.4%	74.7%	65.6%
Germany - Schleswig - Holstein	3	3,853,560	0.6%	3,195,196	0.6%	82.9%	74.0%
Netherlands - Gelderland	1	4,835,000	0.7%	3,182,349	0.6%	65.8%	62.4%
Netherlands - Groningen	1	12,205,000	1.8%	8,373,340	1.7%	68.6%	65.1%
Netherlands - North Brabant	3	32,925,000	4.9%	22,588,466	4.6%	68.6%	65.1%
Netherlands - North Holland	2	22,560,000	3.4%	17,591,778	3.6%	79.1%	73.5%
Netherlands - South Holland	1	4,720,000	0.7%	3,238,195	0.7%	68.6%	65.1%
Netherlands - Utrecht	1	26,865,000	4.0%	17,682,274	3.6%	65.8%	62.4%
Total/WA	149	667,670,492	100.0%	493,568,400	100.0%	75.7%	66.9%

Property Tenure

Tenure	Number of Properties	Aggregate Cut-Off Date Value (EUR)	Percentage of Pool by Aggregate Property Value	Aggregate Cut-Off Date Allocated Loan Balance (EUR)	Percentage of Pool by Cut-Off Date Allocated Loan Balance	Weighted Average Cut-Off Date LTV	Weighted Average Maturity LTV
Freehold	144	621,554,791	93.1%	459,600,456	93.1%	75.7%	66.7%
Leasehold	5	46,115,701	6.9%	33,967,944	6.9%	74.8%	69.5%
Total/WA	149	667,670,492	100.0%	493,568,400	100.0%	75.7%	66.9%

LOAN ORIGINATION

Origination Process

In connection with the origination of the Loans, the Originator carried out its own internal legal and commercial due diligence procedures to evaluate a Borrower's ability to service its Loan obligations and to analyse the quality of the Properties. However, no independent experts were appointed to carry out due diligence with respect to insurance, environmental issues, planning or zoning. However, valuations were obtained (see below) and it was confirmed that the insurance policies as at the date of this Offering Circular complied with the requirements of the Loan Agreement and the Valuer made enquiries with the local authorities who confirmed that, as at the date of acquisition of each of the Properties, as far as they were aware none of the Properties were subject to any environmental contamination. The property investment experience and expertise of the Obligors and their management were also factors taken into consideration in the lending analysis.

Title and Other Investigations

In connection with the acquisition of the Properties and the granting of the Mortgages, Dutch and German civil law notaries (on behalf of the Originator) verified that the Guarantor had good title to the Properties and that they could be mortgaged, free from any encumbrances or other matters which would be considered by a reasonably prudent lender to be of a material adverse nature.

Summary Valuation

The Summary Valuations are the basis for the valuation figures contained within this Offering Circular. A copy of the Summary Valuations are set out in *Appendix B –Summary Valuations*.

No new reports

No new reports (other than the summary valuations) have been prepared specifically for the purpose of this Offering Circular or the transactions contemplated herein and none of the Issuer, the Bookrunners, the Originator or the Note Trustee has made any independent investigation of any of the matters stated therein except as disclosed in this Offering Circular.

Legal opinions

The Issuer, the Note Trustee and the other Issuer Security Beneficiaries will benefit from legal opinions from Allen & Overy LLP (lawyers acting for the Originator) given in respect of the Finance Documents and the Transaction Documents that, *inter alia*, the Obligors were validly incorporated, had sufficient power and capacity to enter into the proposed transaction and generally that the Obligors had complied with any necessary formalities.

The legal opinions will also confirm that all necessary registrations in connection with the Loan Security were attended to within all applicable time periods and appropriate notices served (where required by the terms of the Finance Documents).

The legal opinions will also confirm that the Issuer Security and transfer of security (including all guarantees) pursuant to the Loan Transfer Agreements has been effected.

LOAN DOCUMENTATION AND SECURITY

The principal documentation entered into by the Obligors in relation to the Loans comprises the Loan Agreements, the Borrower Security Agreements, the Borrower Swap Agreements (together the **Finance Documents)**. The Loan Agreements (with the exception of the TOR Loans) and the Dutch Borrower Security Agreements are governed by Dutch law and the German Borrower Security Agreements are governed by German law and the Borrower Swap Agreements, the TOR Loans and the English Borrower Security Agreements are governed by English law and the Manx Borrower Security Agreements are governed by Isle of Man law. Certain amendments have been made to these documents since the date on which they were entered into and the description of these documents set out below relates to the relevant documents as amended.

A. Loan Agreements

Finance Parties

The parties to the Finance Documents (other than the Obligors) are the Agent, the Arranger, the Lenders and the Borrower Swap Counterparties (the **Finance Parties**).

In the Loan Agreements, there are various references to "lenders" and "majority lenders". As the Issuer will be the sole lender under the Loan Agreements, where such provisions have been described in this Offering Circular, reference has only been made to the Issuer rather than the "lenders" or "majority lenders".

Loans and Purpose

As at the Closing Date, the aggregate outstanding principal amount of the Loans will be € 492,783,950.

Conditions precedent

Prior to making the Loans, the Agent received certain documents as conditions precedent to funding in form and substance satisfactory to it. The documentation included, *inter alia*: constitutional documents for the Obligors, all relevant legal opinions and evidence of perfection of the security interests under the Borrower Security Agreements.

Mandatory prepayment - Illegality

If it is or becomes unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations contemplated under a Loan Agreement or to fund or maintain its participation in a Loan, the Issuer shall notify the Agent upon becoming aware of that event. Upon the Agent notifying the relevant Borrowers, the commitment of the Issuer will be immediately cancelled and the relevant Borrowers shall repay the relevant Loan on the date specified by the Issuer in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

Mandatory prepayment - Disposal of Property

If a Borrower disposes of a Property, on the Loan Interest Payment Date immediately following the date of such disposal, such Borrower shall prepay the relevant Loan in an amount (the **Disposal Prepayment Amount**) equal to the product of:

(a) the LTV Percentage;

(b) the value of the disposed Property as indicated in the initial Valuation; and

(c) a set per cent.

Any such prepayment shall be applied in or towards prepayment of the relevant Loan in inverse order of maturity.

Insurance proceeds

The Loan Agreements require the proceeds of any insurance policy (other than the proceeds of any loss of rent insurance which will be treated as rental income or the proceeds of any liability insurance which must be used to satisfy the relevant liabilities), if so required by the Agent, to be used to prepay the relevant Loans except that to the extent required by the basis of settlement under any insurance policy or lease, the relevant Borrower must apply moneys received under any insurance policy in respect of a Property towards replacing, restoring or reinstating that Property (see *Insurance requirements* below).

Voluntary prepayment

A Borrower may, if it gives the Agent not less than 10 Business Days' prior notice, prepay the whole or any part of the Loans (but, if in part, being an amount that reduces the amount of the relevant Loan by a minimum amount of €1,000,000).

Any such voluntary prepayment shall be applied in or towards prepayment of the relevant Loan in inverse order of maturity.

Prepayment as a result of a tax payment or increased cost

If any sum payable to the Issuer by an Obligor is required to be increased under the tax gross-up provisions in a Loan Agreement or the Issuer claims indemnification from a Borrower under the tax indemnity or increased costs provisions in a Loan Agreement, such Borrower may, whilst the circumstance giving rise to the requirement or indemnification continues and without prejudice to its obligations under such tax gross-up, indemnity or increased costs clauses, give the Agent notice of cancellation of the commitment of the Issuer and its intention to procure the repayment of a Loan.

On receipt of a notice referred to above, the commitment of the Issuer shall immediately be reduced to zero and on the date specified by the relevant Borrower in the notice referred to above, such Borrower shall repay a Loan.

Prepayment fees

Any prepayment on a Loan shall be made together with accrued interest on the amount prepaid and all other sums then due under the Finance Documents (including any break costs) together with a prepayment fee.

Representations and warranties

Certain representations and warranties were given by each Obligor under the Loan Agreements, as of the date of the Loan Agreements. These, include, *inter alia*, the following statements:

(a) it is a partnership, foundation or corporation, as the case may be, duly incorporated and validly existing under the law of its jurisdiction of incorporation or establishment and it has the power to own its assets and carry on its business as it is being conducted;

(b) the shares in the capital of any Obligor which are subject to the security are fully paid up and not subject to any option to purchase or similar rights;

(c) the obligations expressed to be assumed by it in each Transaction Document are legal, valid, binding and enforceable obligations;

(d) the entry into and performance by it of, and the transactions contemplated by, the Transaction Documents do not and will not conflict with (i) its constitutional documents, (ii) any law or regulation applicable to it or (iii) any agreement or instrument binding upon it or any of its assets;

(e) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents;

(f) all authorisations required or desirable (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party and (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation or establishment, have been obtained or effected and are in full force and effect;

(g) the choice of governing law of the Loan Agreements and (if applicable) the Finance Documents, and any judgment obtained in the jurisdiction of the governing law in relation to any of these Finance Documents will be recognised and enforced in its jurisdiction of incorporation;

(h) under the law of its jurisdiction of incorporation it is not required to make any deduction for or on account of tax from any payment it may make under any Finance Document;

(i) under the law of its jurisdiction of incorporation or establishment it is not necessary that the Loan Facility Documents be filed, recorded or enrolled with any court in that jurisdiction or that any stamp, registration or similar tax has to be paid on or in relation to the Loan Facility Documents or the transactions contemplated by the Loan Facility Documents;

(j) no Event of Default is continuing and it is not (nor would with the giving of notice or lapse of time or the satisfaction of any other condition or any combination thereof be) in breach of or default under any other agreement or instrument which is binding on it or to which its assets are subject;

(k) any factual information provided by any Obligor for the purposes of each of the Loan Agreements was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and nothing has occurred and no information has been given or withheld that results in the information provided for the purposes of the Loan Agreements being untrue or misleading;

(l) no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a material adverse effect have been started or threatened against it;

(m) its financial statements most recently delivered to the Agent have been prepared in accordance with accounting principles and practices generally accepted in its jurisdiction of incorporation, consistently applied and fairly represent its business or consolidated financial condition of the Group (as defined in the relevant Loan Agreement);

(n) in respect of the Group (as defined in the relevant Loan Agreement), there has been no material adverse change in its financial condition (consolidated if applicable) since the date to which its most recent financial statements were drawn up;

(o) all information supplied by it or on its behalf to the Valuer for the purposes of the Initial Valuation was true and accurate as at its date or (if appropriate) as at the date (if any) at which it is stated to be given and any financial projection contained in the information supplied to the Valuer was prepared on the basis of recent historical information and on the basis of reasonable assumptions and no information was withheld that would have adversely affected the Valuation;

(p) the Obligor (i) is the sole legal and beneficial owner of each of the Properties and (ii) has good and marketable title to and all appropriate authorisations to use, each of the Properties and the other assets as necessary to carry on its business as conducted;

(q) all authorisations required to enable it and any tenant lawfully to enter into and exercise its rights, have been obtained or effected and are in full force and effect;

(r) no materials have been used in the construction of the Properties that were generally accepted at the time as, or reasonably suspected if being or becoming, damaging and no hazardous material is present at the Properties;

(s) each Property is free from any restrictions or other matters affecting the title that could have a material adverse effect on the use, operation or value of that Property or the ability of an Obligor to perform its payment obligations under the Finance Documents;

(t) each Property is free and clear from any material damage and is in a state of good repair (ordinary wear and tear excepted);

(u) no Security or Quasi-Security exists over all or any of the present or future assets of any Obligor other than as permitted under the Loan Agreements and no Obligor has any Financial Indebtedness outstanding other than as permitted by the Loan Agreements;

(v) the transaction security has or will have first ranking priority;

(w) it is not a party to any material agreement other than the Transaction Documents and has not traded, carried on business or owned any assets since the date of its incorporation other than the ownership and management of its Properties;

(x) it is in compliance and to the best of its knowledge and belief no circumstances have occurred which would prevent compliance in a manner likely to have a Material Adverse Effect and no Environmental

Claim, likely to have a Material Adverse Effect has been commenced or threatened its 'centre of main interests' (as that term is stipulated in Article 3(1) of the Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings) is situated in its jurisdiction of incorporation or establishment and it has no 'establishment' (as that term is stipulated in Article 3(1) of Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings) in any other jurisdiction;

(y) there is no material breach with any term of a Lease Document and all of the information provided by any Obligor for the purpose of conditions precedent or monitoring of the properties was true, complete and accurate in all material respects and the Lender has been provided with copies of all Lease Documents;

(z) each insurance policy is in full force and effect, all premiums have been paid, there are no material outstanding claims, there have been no breaches of any of the insurance policies and Security can be granted to the Lender over any such insurance policy;

The representations summarised in paragraphs (a), (g), (i), (m), (n), (p)(i), (q), (r), (s), (t), (v) and (y) above are deemed to be made on the date of each Utilisation Request, each proposed Utilisation Date and each first day of a calendar quarter.

General Undertakings

Each Obligor gives various general undertakings under the Loan Agreements which take effect so long as any amount is outstanding under the Loan Agreements or any commitment is in place. These undertakings include, *inter alia*, the following:

(a) each Obligor shall promptly (i) obtain, comply with and do all that is necessary to maintain in full force and effect and (ii) supply certified copies to the Lender of any authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under, *inter alia*, the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of, *inter alia*, the Finance Documents;

(b) each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents;

(c) no Obligor shall create or permit to subsist any encumbrance over any of its assets (or enter into any similar arrangements) other than (i) any encumbrance created pursuant to any Security Document (ii) any security arising under the general terms of the Dutch Bankers' Association other than arising under Section 20 thereof or (iii) any lien arising by operation of law and in the ordinary course of trading;

(d) no Obligor shall enter into any amalgamation, demerger, merger or corporate reconstruction;

(e) no Obligor shall incur or allow to remain outstanding any financial indebtedness other than arising under the Finance Documents;

(f) no Obligor shall give any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which such Obligor assumes any liability of any other person other than any guarantee given under the Finance Documents;

(g) no Obligor shall trade, carry on business or own any assets other than (or in connection with) the ownership and management of its Properties;

(h) each Obligor must ensure that its payment obligations under the Finance Documents rank at least *pari passu* with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally;

(i) no Obligor shall make any acquisition or investment or incorporate a company, except as permitted under the Finance Documents;

(j) each Obligor shall (i) comply with all applicable environmental laws (ii) obtain, maintain and ensure compliance with all requisite permits and (iii) implement procedures to monitor compliance with and to prevent liability under any environmental law, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

(k) each Obligor shall, promptly upon becoming aware of the same, inform the Lender in writing of (i) any environmental claim against any Obligor which is current, pending or threatened and (ii) any facts or circumstances which are reasonably likely to result in any environmental claim being commenced or threatened against any Obligor,

(l) where the claim, if determined against that Obligor, has or is reasonably likely to have a Material Adverse Effect.

(m) each Obligor shall maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of its business.

(n) no Obligor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset other than any lease pursuant to the Lease Documents or made in the ordinary course of trading of the disposing entity.

(o) except as permitted under the Finance Documents, no Obligor shall enter into any transaction with any person except on arm's length terms and for full market value.

(p) no Obligor shall issue any shares.

(q) each Obligor shall permit the Lender and/or accountants or other professional advisers and contractors of the Lender free access at all reasonable times and on reasonable notice at the risk and cost of the Company to (i) the premises, assets, books, accounts and records of each Obligor and (ii) meet and discuss matters with senior management.

(r) no Obligor shall amend, vary, novate, supplement, supersede, waive or terminate any term of its constitutional documents or any sale and purchase agreement relating to the sale and purchase of a Property except in writing (i) with the prior consent of the Lender; or (ii) in a way which could not be reasonably expected materially and adversely to affect the interests of the Lender.

(s) all bank accounts of the Obligors shall be opened and maintained with Eligible Institutions (or as is otherwise acceptable to the Facility Agent) and are subject to valid Security (or as was otherwise agreed with the Facility Agent) under the Security Documents and if a bank account of an Obligor is held with a bank which, following a downgrade, withdrawal, qualification or suspension of the rating of that bank, is

no longer an Eligible Institution, that bank account shall promptly at the request of the Lender be moved to a bank which is an Eligible Institution.

(t) each Obligor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify to perfect the Security created or intended to be created under or evidenced by the Security Documents or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law.

(u) each Obligor shall (i) assist the Lender with any steps the Lender may wish to take to achieve a successful securitisation (ii) supply the Lender with all information which the Lender may require in connection with that securitisation (iii) co-operate with the Lender to facilitate a rating of the securities that are being issued under that securitisation (iv) co-operate with any servicer of the Loans in connection with the day to day management of the Loans (v) co-operate in amending any of the terms of any of the Finance Documents if this would be required to successfully execute that securitisation and (vi) use its best efforts to ensure full compliance with the listing rules of any applicable stock exchange that may become applicable as a result of that securitisation.

Property Covenants

Each Obligor also gives various undertakings relating to the Properties. These include, *inter alia,* the following:

(a) the Company shall promptly supply to the Lender a copy of each Lease Document and any document relating to (i) any amendment, variation, novation, supplement, waiver or termination of any Lease Document or (ii) any consent to any assignment or transfer of any tenant's rights or obligations under any Lease Document;

(b) each Obligor shall take all reasonable and practical steps to preserve and enforce its rights and pursue any claims and remedies arising under any Lease Document;

(c) no Obligor shall appoint any property manager without the prior consent of, and on terms approved by, the Lender;

(d) each Obligor shall ensure that each property manager (i) manages a Property to a standard consistent with that of a prudent property owner (ii) acknowledges to the Lender that it has notice of the transaction security and (iii) will pay all rental income received by it into a bank account without (and free and clear of any deduction for) set-off or counterclaim;

(e) no Obligor shall without the prior consent of the Lender amend, vary, novate, supplement, supersede, waive or terminate any term of any property management agreement or consent to any assignment or transfer of any property manager's rights or obligations under any property management agreement;

(f) if a property manager is in default of its obligations under a property management agreement and, as a result, an Obligor is entitled to terminate that property management agreement, then, if the Lender so requires, that Obligor shall promptly use all reasonable endeavours to terminate that property management agreement and appoint a new property manager;

(g) each Obligor shall ensure that at all times each Property and the plant and machinery on that Property (including fixtures and improvements) are insured on a full reinstatement basis, property owners public

liability and products liability insurance is in force and such other insurances are in force against those risks and to the extent, as is usual for companies carrying on the same or substantially similar business;

(h) all insurances required must be in an amount and form acceptable to the Lender and with Eligible Institutions or as is otherwise agreed with the Facility Agent. An **Eligible Institution** in relation to an insurance company or an underwriter means an insurance company or underwriter that has long term unsecured, unsubordinated and unguaranteed debt instruments with a rating of, or a financial strength rating of, A (or better) by Fitch, A2 (or better) by Moody's and A (or better) by S&P;

(i) each Obligor shall procure that the Lender is named as a co-insured and loss payee on each insurance policy;

(j) each Obligor shall use its best endeavours to ensure that the Lender receives copies of the insurance policies and any information in connection with the insurances and claims under them which the Lender may reasonably require;

(k) each Obligor shall promptly notify the Lender of (i) the proposed terms of any future renewal (ii) an variation, termination, avoidance or cancellation made or, to its knowledge, threatened or pending and (iii) any claim, and any actual or threatened refusal of any claim, under any insurance policy;

(l) each Obligor shall (i) comply with the terms of all insurance policies (ii) not do or permit anything to be done which may make void or voidable any insurance policy and (iii) comply with all reasonable risk improvement requirements of its insurers;

(m) each Obligor shall ensure that (i) each premium for insurance is paid promptly and (ii) a copy of each premium receipt evidencing payment for the renewal of the insurance policy together with the latest cover note or other evidence of insurance cover being in force is supplied to the Lender;

(n) if insurance is with an insurance company or underwriter which, following a downgrade, withdrawal, qualification or suspension of the rating of that insurance company or underwriter, is no longer an Eligible Institution, an Obligor shall promptly at the request of the Lender put in place replacement insurance with an insurance company or underwriter which is an Eligible Institution (or as is otherwise acceptable to the Facility Agent);

(o) if an Obligor fails to comply with any term of the Property Undertakings, the Lender may, at the expense of the Obligors, effect any insurance and generally do such things and take such other action as the Lender may reasonably consider necessary or desirable;

(p) the proceeds of any insurance policy shall, if the Lender so requires, be used to prepay the Loans, except (i) to the extent required by the basis of settlement under any insurance policy or Lease Document, each Obligor shall apply moneys received under any insurance policy in respect of the Property towards replacing, restoring or reinstating the Property (ii) that the proceeds of any loss of rent insurance will be treated as rental income and (iii) that moneys received under liability policies which are required by an Obligor to satisfy established liabilities of that Obligor to third parties, shall be used to satisfy these liabilities.

The following covenant applies only to the Derrick Loan:

(q) the Obligors shall appoint a property manager acceptable to, and on terms approved by the Facility Agent (acting on the instructions of the Majority Lenders) within 12 months after the first Utilisation Date.

The following representation applies only to the NRW Loan:

(r) the Obligors shall not extend or renew the property management agreement entered into with Arslan Verwaltung GmbH beyond December 2007 without the prior consent of the Facility Agent (acting on the instructions of the Majority Lenders).

Events of Default

Each Loan Agreement contains usual events of default (each a **Loan Event of Default**) entitling the Issuer (subject in certain cases, to customary grace periods and materiality thresholds) to accelerate the Loans and/or to instruct the Agent to enforce the Loan Security, including, *inter alia*:

(a) an Obligor does not pay on the due date any amount unless (i) its failure to pay is caused by administrative or technical error and (ii) payment is made within two business days of its due date;

(b) any requirement of the financial covenants clause is not satisfied;

(c) an Obligor does not comply with any provision of the Finance Documents and such failure, if capable of remedy, is not remedied within 10 business days of the Facility Agent giving notice to the Borrower or the Borrower or an Obligor becoming aware of the failure to comply;

(d) any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;

(e) the occurrence of insolvency, suspension of payments or other analogous proceedings;

(f) it is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any transaction security created or expressed to be created or evidenced by the Security Documents ceases to be effective;

(g) an Obligor ceases or threatens to cease all or a material part of its business;

(h) any event or circumstance occurs which the Issuer reasonably believes might have a material adverse effect;

(i) any part of any of the Properties is destroyed or damaged and in the reasonable opinion of the Lender, taking into account the amount and timing of receipt of the proceeds of insurance effected in accordance with the terms of the Loan Agreement, the destruction or damage has or will have a material adverse effect.

(j) any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.

(k) 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.

(l) 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.

(m) 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.

(n) an Obligor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or commences negotiations with its creditors with a view to rescheduling any of its Indebtedness.

(o) the value of the assets of any Obligor is less than its liabilities or a moratorium is declared in respect of any Indebtedness of any Obligor.

(p) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of an Obligor and is not discharged within 4 days.

(q) the authority or ability of any Obligor to conduct its business is limited by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any Obligor or any of its assets.

(r) an Obligor (or any other relevant party) rescinds or repudiates a Finance Document or any of the transaction security or evidences an intention to rescind or repudiate a Finance Document or any transaction security.

(s) any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any Obligor or its assets which has or is reasonably likely to have a material adverse effect.

The following Loan Event of Default only applies to the TOR transaction:

(t) any party (other than a Finance Party or the Borrower) to the Subordination Agreement fails to comply with the provisions of the Subordination Agreement or a representation or warranty given by that party in the Subordination Agreement is incorrect in any material respect and if the non-compliance or circumstances are capable of remedy and are not remedied within 10 business days of the earlier of the Facility Agent giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

On and at any time after the occurrence of a Loan Event of Default which is continuing the Lender may, cancel any outstanding fully-drawn commitment under the relevant Loan Agreement, declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable, declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Lender and/or exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

Further Insurance Requirements

The Note Trustee will notify the applicable insurance companies of the Mortgages on German Properties, whereupon such insurance companies will be bound by sections 99 to 107 of the German Act on Insurance Contracts (*Versicherungsvertragsgesetz*).

If a Borrower fails to comply, the Agent may, at the expense of such Borrower, effect any insurance and generally do such things and take such other action as the Agent may reasonably consider necessary or desirable to prevent or remedy any breach of the relevant provisions in the Loan Agreement.

B. Loan Security

Parallel creditorship

Each of the Finance Parties and the Obligors has agreed that the Agent shall be a parallel creditor (together with the other Finance Parties) of each and every payment obligation of each Obligor towards each of the Finance Parties under the Finance Documents, and that accordingly the Agent will have its own independent right to demand performance by each Obligor of those obligations. However, in each case, any discharge of any such obligation to the Agent or to a Finance Party shall, to the same extent, discharge the corresponding obligation owing to the other. To the extent that the Agent irrevocably receives any amount in payment as a parallel creditor, the Agent shall distribute such amount among the Finance Parties in accordance with the Loan Agreement.

Underlying Loan Security

The Loans (and all other obligations under the Finance Documents) are secured by the assets of the Obligors pursuant to the following Borrower Security Agreements (as relevant):

(a) certain notarial deeds of mortgage pursuant to which the Borrower or Guarantor (as the case may be) has granted German first priority certificated comprehensive mortgages (*Gesamtbriefgrundschulden*) over the Properties (each a **German Mortgage**);

(b) a mortgage (*hypotheek*) pursuant to which the Borrower has granted Dutch first priority mortgages over the Properties (each a **Dutch Mortgage** and together with the German Mortgages, the **Mortgages**);

(c) a security purpose agreement (*Sicherungszweckvereinbarung*) in respect of each of a mortgage;

(d) an agreement on the assignment of rental income in relation to a Property by way of security (*Sicherungsabtretung*) by the Borrower;

(e) an agreement on the assignment of insurance claims in relation to a Property by way of security (*Sicherungsabtretung*) by the Borrower;

(f) an account pledge agreement relating to, *inter alia*, an account of a Borrower and any bank account subject to German law opened in the future by the Borrower;

(g) a security trust agreement providing, *inter alia*, for an abstract acknowledgement of indebtedness (*abstraktes Schuldanerkenntnis*) by a Borrower;

(h) a first priority pledge by a Borrower of all rights;

(i) a first priority pledge on the bank account(s) of a Borrower;

(j) a first priority pledge over the shares of a Borrower;

(k) a first priority pledge over the insurances of a Borrower;

(l) a first priority pledge over the rental income of a Borrower;

(m) a security agreement in respect of a Borrower's rights under a Borrower Swap Agreement;

(n) a security agreement in respect of the bank account(s) of a Borrower;

(o) a charge over shares in respect of the shares in a Borrower;

(the documents in paragraphs (a) and (c) to (g) above are referred to as the **German Borrower Security Agreements**, the documents in paragraphs (b) and (h) to (i) above are referred to as the **Dutch Borrower Security Agreements**, the documents in paragraph (m) are referred to as the **English Borrower Security Agreements** and the documents in paragraphs (n) to (o) above are referred to as the **Manx Borrower Security Agreements** and together with the German Borrower Security Agreements, the English Borrower Security Agreements and the Dutch Borrower Security Agreements, the **Borrower Security Agreements** and together the **Loan Security**).

The security interests created pursuant to the Dutch Borrower Security Agreements were created in favour of the Originator (in its capacity as the initial security and facility agent and as the parallel creditor under the parallel debt undertaking contained in the Loan Agreement) and secure an amount equal to all of the liabilities of the Obligors to the Finance Parties under the Finance Documents. The security interests created pursuant to the Dutch Borrower Security Agreements will be transferred to the Issuer by operation of law as a result of the transfer of the Loans (the **Dutch Loan Transfer Agreement**) including all rights and obligations under the parallel debt undertaking contained in the Loan Agreement to the Issuer pursuant to the Loan Transfer Agreements. A further security interest will be created at the Closing Date pursuant to the Issuer Level Dutch Law Security Agreement in favour of the Note Trustee to secure all liabilities of the Issuer to the Noteholders and the other Issuer Security Beneficiaries under the Transaction Documents (the **Issuer Level Dutch Law Security Agreement**).

The security interests created pursuant to the German Borrower Security Agreements were created in favour of the Originator (in its capacity as initial security and facility agent) and secure all liabilities of the Obligors to the Finance Parties under the Finance Documents. The German accessory security rights (*akzessorische Sicherheiten*) held by the Originator (which are contained in the documents referred to in paragraph (e) above) will be transferred to the Issuer by operation of law as a result of the transfer of the Loans to the Issuer pursuant to the Loan Transfer Agreements. The German non-accessory security rights (*nicht akzessorische Sicherheiten*) (which includes the Mortgages) will be transferred to the Issuer pursuant to one or more German law assignment or transfer agreements (the **Agreement on the Assignment of German Non-Accessory Security**) to secure the liabilities of the Issuer to the Noteholders and the other Issuer Security Beneficiaries.

A security interest will be created at the Closing Date pursuant to the English Borrower Security Agreements in favour of the Issuer to secure all liabilities of the Obligors to the Finance Parties under the Finance Documents (the **English Loan Transfer Agreement** and the **Borrower Level English Law Security Agreement**). A

further security interest will be created at the Closing Date pursuant to the Issuer Level English Law Security Agreement in favour of the Note Trustee to secure all liabilities of the Issuer to the Noteholders and the other Issuer Security Beneficiaries under the Transaction Documents (the **Issuer Level English Law Security Agreement**).

A security interest will be created at the Closing Date pursuant to the Manx Borrower Security Agreements in favour of the Issuer to secure all liabilities of the Obligors to the Finance Parties under the Finance Documents (the **Borrower Level Manx Law Security Agreement**). A further security interest will be created at the Closing Date pursuant to the Issuer Level Manx Law Security Agreement in favour of the Note Trustee to secure all liabilities of the Issuer to the Noteholders and the other Issuer Security Beneficiaries under the Transaction Documents (the **Issuer Level Manx Law Security Agreement**).

Amounts secured by the Mortgages

The Properties were acquired on different dates and the amount secured by the relevant Mortgages was limited to an amount which reflected the outstanding principal amount of the Loans (plus accrued interest) at the time the relevant Properties were acquired.

As the security created under the Borrower Security Agreements will not create a valid and enforceable security interest in respect of certain types of assets which are acquired after the date of the Borrower Security Agreements, the Obligors will be obliged to ensure that additional security is created over any such assets on a periodic basis.

Enforceability

The security created by the Borrower Security Agreements will be enforceable once a Loan Event of Default has occurred and, in addition, in the case of the Dutch Borrower Security Agreements, provided that there is a default (*verzuim*) in the performance of the Obligors' secured liabilities. The Borrower Security Agreements will confer upon the Agent powers to sell or dispose of the Properties and the right to collect (*innen*) receivables. See *Risk Factors – Considerations relating to security* for a description of the enforcement procedures.

C. Loan Transfer Agreements

Transfer of the Loans and Loan Security

On the Closing Date, the Issuer will enter into transfer agreements with, *inter alios,* the Originator and the Borrowers (the **Loan Transfer Agreements**).

Pursuant to the Loan Transfer Agreements, the Originator will transfer its rights and obligations in respect of the Loans and rights and obligations under the parallel debt undertaking to the Issuer. In addition, NIBC will resign in its capacity as initial security and facility agent and the Issuer will be appointed as the Agent although it will delegate the day to day functions of this role to the Servicer or the Special Servicer (as the case may be). As a result of the Loan Transfer Agreements and one or more German law assignment or transfer agreements all of the Loan Security will be transferred to the Issuer as described above.

The consideration payable by the Issuer to the Originator will be an amount which is equal to the outstanding principal amount of the Loans on the Closing Date plus the amount of interest accrued on the Loans since the last Loan Interest Payment Date.

Representations and warranties

Neither the Issuer nor the Note Trustee has made (or will make) any of the enquiries, searches or investigations which a prudent purchaser of the relevant assets would normally make in relation to the Loans or Loan Security. In addition, neither the Issuer nor the Note Trustee has made or will make any enquiry, search or investigation at any time in relation to compliance by the Originator, the Servicer or any other person with respect to the provisions of the Loan Transfer Agreements, the Servicing Agreement, or the Issuer Security Agreements or in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the Loans or the Loan Security transferred to the Issuer on the Closing Date.

In relation to all of the foregoing matters concerning the Loans and the Loan Security and the circumstances in which the advances were made to the Borrower prior to the transfer of the Loans to the Issuer, the Issuer and the Note Trustee will rely entirely on the representations and warranties to be given by the Originator to the Issuer and the Note Trustee which are contained in the Loan Transfer Agreements.

The Originator will give representations and warranties in the Loan Transfer Agreements including the following:

(a) To the best of the knowledge and belief of the Originator (having taken reasonable care to ensure such is the case) and subject to any general principles of law limiting its obligations and referred to in relevant legal opinions, (a) the obligations of the Obligors under the Finance Documents constitute their legally binding, valid and enforceable obligations and (b) the Originator is the legal and beneficial owner of the rights in the Loans free and clear of all encumbrances or other claims.

(b) Each Property is situated in the Federal Republic of Germany or in the Netherlands.

(c) The Originator has, since the utilisation date in respect of the Loans, kept or caused to be kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the Loans and which are complete and accurate in all material respects. All such

accounts, books and records are up to date as at the Closing Date and are held by or to the order of the Originator.

(d) The mortgages in respect of the Properties and the other Security Interests granted under the relevant Borrower Security Agreements constitute (or upon their due registration in the relevant land register shall constitute) legally valid, binding and enforceable Security Interests having the priority expressed therein.

(e) The Originator has sole legal title to the Security Interests granted under the Borrower Security Agreements and all things necessary to complete such title have been done.

(f) The Originator is the legal and beneficial owner of the Loans free and clear of all encumbrances or any other claims.

(g) The Originator is entitled to transfer and assign its interests in the Loans and the Loan Security and its other rights under the Finance Documents to the Issuer pursuant to the Loan Transfer Agreements.

(h) Prior to the original date of the Loan Agreement, the nature of and amount secured by the Loans, the Loan Security and the circumstances of the Obligors satisfied in all material respects the Originator's lending criteria (so far as applicable) subject to such variations or waivers as would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property.

(i) None of the provisions of the Finance Documents have been waived, altered or modified in any material respect since the date they were entered into in a manner which is inconsistent with the description of such Finance Documents in the Offering Circular.

(j) To the best of the Originator's knowledge (having taken reasonable care to ensure such is the case but having made no investigation of the Obligors after the original date of the Loan Agreement), no Obligor has any outstanding Financial Indebtedness other than any Financial Indebtedness which is permitted under the terms of the relevant Finance Documents.

(k) To the best of the knowledge and belief of the Originator (i) (having taken reasonable care to ensure such is the case but having made no investigation of the relevant title) the Valuations were not negligently or fraudulently undertaken by the Valuer, and (ii) (having taken reasonable care to ensure such is the case but as a commercial lender only and not, for the avoidance of doubt, as a valuer) the Valuations did not fail to disclose any fact or circumstance that if disclosed would have caused the Originator, acting as a reasonably prudent lender of money secured on commercial property, to decline to advance the Loans on the terms of the Finance Documents.

(l) To the best of the knowledge and belief of the Originator (having taken reasonable care to ensure such is the case), each of the Properties is insured as required by the terms of the relevant Loan Agreement.

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

(n) The Originator is not aware of any material outstanding claim in respect of any Insurance Policy.

(o) The Originator has not received written notice of, or is otherwise aware of, the bankruptcy, liquidation, winding-up or dissolution of any Obligor or that any Obligor has been granted a suspension of payments.

(p) To the best of the knowledge and belief of the Originator, no Loan Event of Default is outstanding and the Originator is not aware of (i) any other default that affects the value of the Loans or the Loan Security which has not been remedied, cured or waived (but only in a case where a reasonably prudent lender of money secured on commercial property would grant such a waiver), (ii) any outstanding material default under the Finance Documents, or (iii) any outstanding event which, with the giving of notice or lapse of any applicable grace period, would constitute such a default that materially and adversely affects the value of the Loans or the Loan Security.

(q) The Originator has performed in all respects all of its obligations under or in connection with the Loans and, to the best of the knowledge of the Originator (having taken reasonable care to ensure such is the case), no Obligor has taken or has threatened to take any action against the Originator for any failure on the part of the Originator to perform any such obligations.

(r) The Originator is not aware of any litigation or claim calling into question in any way its title to the Loans or the Loan Security.

Such representations and warranties are qualified by reference to all general principles of law limiting the same as set out in any applicable legal opinion and are subject to all information disclosed in this Offering Circular.

Indemnity or repurchase

If any of the representations and/or warranties made by the Originator in the Loan Transfer Agreements in relation to a Loan or the Loan Security prove to be incorrect in any material respect, then, where the facts and circumstances giving rise to the relevant representations and warranties being incorrect (i) would, in the sole opinion of the Note Trustee, have an effect which materially and adversely affects the interests of the Noteholders (or any of them) in respect of the Notes and (ii) are not capable of remedy (or, if capable of remedy, are not remedied within the time periods specified in the Loan Transfer Agreements (see below)), the Originator will be obliged to either:

(i) indemnify the Issuer and the Note Trustee against all losses, claims, demands, taxes and all other expenses or other liabilities incurred by the Issuer as a result of such misrepresentation; or

(ii) repurchase the relevant Loan(s) from the Issuer for an aggregate amount equal to the outstanding principal amount of the relevant Loan(s), together with accrued interest and costs up to, but excluding, the date of the repurchase, as well as (without duplication) any amounts accrued in relation to the obligations of the Issuer ranking in priority to amounts due to Noteholders under the Conditions of the Notes (**Relevant Obligations**) less an amount equal to the aggregate of any amounts standing to the credit of the Issuer Collection Account at that time which are used to discharge Relevant Obligations.

The Originator shall have 90 days from the receipt of written notice of the relevant material breach of representation and/or warranty from the Issuer or the Note Trustee in which to remedy such breach (if such matter is capable of remedy). If such breach is capable of remedy but not within such 90 day period and prior to the expiry of such 90 day period, the Originator has commenced (and is continuing to take), action with respect to the remedy of such breach, the Originator will have an additional 90 day period to complete such cure.

The decision as to which remedy is chosen shall be at the sole discretion of the Originator. The Issuer will have no other remedy in respect of such misrepresentation unless the Originator fails to provide such indemnity or to purchase the Loan in accordance with the Loan Transfer Agreements. Any repurchase of a Loan will result in a redemption of all of the Notes on the next Notes Interest Payment Date in accordance with Condition 6.

BORROWER ACCOUNTS

Borrower Accounts

Each Borrower shall maintain a deposit account designated a Borrower Account (a **Borrower Account**) necessary for the operation of their business.

None of the Obligors shall, without the prior consent of the Facility Agent, maintain any other bank account.

Ratings of Borrower Accounts

The Borrower Accounts are currently held with Eligible Institutions or with institutions as otherwise approved by the Facility Agent.

An **Eligible Institution** in relation to a bank or a financial institution means a bank of financial institution which has at least two of the following ratings for its short-term unsecured and non credit-enhanced debt obligations (a) F1+ by Fitch, (b) P-1 by Moody's or (c) A-1+ by S&P.

The Obligors must ensure that all rental income is and, subject to the provisions of the applicable Borrower Security Agreement, any insurance proceeds under any insurance policy that is required under the Loan Agreement are, paid into the relevant Borrower Account.

If any Obligor is in breach of any of its obligations under the Finance Documents and at any time when an actual or potential Loan Event of Default is outstanding, the Agent may and is irrevocably authorised by the Borrower and the relevant Managing Agent:

(i) to operate the relevant Borrower Account; and

(ii) to withdraw from, and apply amounts standing to the credit of, the relevant Borrower Account in or towards any purpose for which moneys in any Account may be applied; and

(iii) to dispose of the relevant Borrower Account and the balance thereon in accordance with the relevant Borrower Security Agreement.

Change of Bank Accounts

Each Obligor must promptly notify the Agent upon becoming aware that a bank at which a Borrower Account is held is not an Eligible Institution.

If a bank at which a Borrower Account is held is not an Eligible Institution, the Facility Agent may require that that Borrower Account be moved promptly, to another bank of its choice which is an Eligible Institution or as is otherwise approved by the Facility Agent.

HEDGING

Borrower Swap Agreements

Some of the Loans bear interest at a floating rate. However, the income to be applied in repayment of the Loans does not vary according to prevailing interest rates. Under the terms of the relevant Loan Agreements, the relevant Borrowers are each required to maintain (subject to the limits described below) interest rate hedging arrangements to protect against fluctuations in the interest rates payable by the Borrower under the Loans.

In order to comply with these obligations, each relevant Borrower will enter into a swap agreement (based on the 1992 ISDA Master Agreement (Multicurrency – Cross Border) and schedule thereto and together with all related confirmations) to be dated on or prior to the Closing Date with ABN AMRO Bank N.V. in the case of the Berlin Borrower and NIBC Bank N.V. (in the case of the other Borrowers) as the Borrower Swap Counterparty (each a **Borrower Swap Agreement**). Pursuant to the relevant Borrower Swap Agreement, the Borrower and Borrower Swap Counterparty will enter into interest rate swap transactions (each a **Borrower Swap Transaction** and together the **Borrower Swap Transactions**) under which the Borrower will receive in arrear on a quarterly basis a floating rate of interest on the Loans based on three-month EURIBOR in exchange for a fixed rate payment. The obligations of NIBC Bank N.V. as Borrower Swap Counterparty under the relevant Borrower Swap Agreements will be guaranteed by the Borrower Swap Guarantor, who will be subject to the Counterparty Requisite Ratings (as defined below). Pursuant to the terms of the relevant Borrower Contingent Assignment and Assumption Deed to be entered into on or about the Closing Date, the rights of NIBC as Borrower Swap Counterparty under the relevant Borrower Swap Agreements will be assigned to the Back-up Borrower Swap Counterparty and the Back-up Borrower Swap Counterparty will assume all of NIBC's liabilities under the relevant Borrower Swap Agreements if the long-term, unsecured and unsubordinated credit rating of the debt obligations of NIBC Bank N.V. falls below "BBB" by Fitch or S&P or to below "Baa2" by Moody's or if NIBC Bank N.V. fails to make any payment when due under the Borrower Swap Agreements. Following assignment of rights and assumption of liabilities, all references herein to NIBC as "Borrower Swap Counterparty" shall be to the Back-up Borrower Swap Counterparty or any successors thereto. The obligations of the Back-up Borrower Swap Counterparty will be guaranteed by UBS AG, who will be subject to the Counterparty Requisite Rating (as defined below).

Under the terms of the Loan Agreements, the Borrower Swap Agreements must contain provisions, such that at all times the interest costs in respect of the Loans will be fully hedged against adverse movements in prevailing interest rates. If at any time the aggregate notional principal amount of a Borrower Swap Transaction exceeds the aggregate amount of the relevant Loan then outstanding, such Borrower will, at the request of the Agent, reduce *pro rata* the notional principal amount of the relevant Borrower Swap Transaction by an amount and in a manner satisfactory to the Agent so that the aggregate notional principal amount of the relevant Borrower Swap Transaction no longer exceeds the aggregate amount of the relevant Loan then outstanding. The Borrower Swap Transactions also contain provisions which allow them to be partially closed out without cost (within certain limits) as the Loans are repaid. If a Borrower Swap Transaction is partially closed out outside of the agreed limits, a termination payment may be due from the relevant Borrower in respect of the relevant partial termination and pursuant to the relevant Borrower Swap Agreement.

Termination of the Borrower Swap Agreements

The Borrower Swap Agreement may be terminated in accordance with certain termination events and events of default some of which are more particularly described below. A failure by a Borrower to make timely payments of amounts due from it under a Borrower Swap Transaction will constitute an event of default and entitle the

Borrower Swap Counterparty to terminate the relevant Borrower Swap Transaction. Furthermore, service by the Agent of a notice of acceleration of a Loan in accordance with a Loan Agreement, or having served such a notice, the Agent makes a demand, will also constitute an event of default in respect of the relevant Borrower.

The Borrower Swap Counterparty (or the Borrower Swap Guarantor, as the case may be) must have a requisite rating of "A+" or better by Fitch, "A2" or better by Moody's and "AA-" (or better) by S&P for its long term debt obligations (the **Counterparty Requisite Ratings**).

Pursuant to the Borrower Swap Agreement between ABN AMRO as Borrower Swap Counterparty and the Berlin Borrower, for so long as any amount of the Loan is outstanding, if at any time, such Borrower Swap Counterparty or its Credit Support Provider ceases to satisfy any of the Counterparty Requisite Ratings specified above and, if applicable, as a result of such cessation, the then current ratings of the Notes may or would, as applicable, in the reasonable opinion of the relevant Rating Agencies, be downgraded or placed under review for possible downgrade (a **Rating Event**), it will be required to take certain measures specified by the relevant Rating Agencies to address any impact of any such Rating Event on the Notes. The required measures will vary depending upon the nature of the Rating Event and will include such Borrower Swap Counterparty:

(a) providing collateral in support of its obligations under the Borrower Swap Agreement; or

(b) transferring all of its rights and obligations with respect to the relevant Borrower Swap Agreement to a replacement third party with the ratings (if any) required by each Rating Agency; or

(c) procuring a third party with the ratings (if any) required by each Rating Agency to become a co-obligor or guarantor in respect of its obligations under the Borrower Swap Agreement, or

(d) taking such other action as it may agree with the Rating Agencies,

in each case, in a manner satisfactory to the relevant Rating Agencies and as described in more detail in the relevant Borrower Swap Agreement and with the Borrower and Agent using reasonable efforts to cooperate with the Borrower Swap Counterparty to affect such remedies.

If ABN AMRO as the Borrower Swap Counterparty does not perform (a), (b), (c) or (d) above (or, if having posted collateral pursuant to (a) above, such ratings fall below a further ratings trigger and such Borrower Swap Counterparty fails to take any of the measures described in (b), (c) or (d) above within the then applicable time limit), then the Borrower will be entitled to terminate the relevant Borrower Swap Transaction and enter into replacement Borrower hedging arrangements with another counterparty with the Counterparty Requisite Ratings on terms that reflect the terms of the relevant Borrower Swap Transaction to be terminated as closely as possible provided that the Borrower may only terminate the relevant Borrower Swap Transaction in such circumstances if no termination payment would be payable by the Borrower to ABN AMRO as the Borrower Swap Counterparty in respect of such termination. If such Borrower Swap Counterparty defaults in its obligations under the relevant Borrower Swap Agreement resulting in the termination of the relevant Borrower Swap Transaction, the Borrower will be obliged to procure replacement Borrower hedge arrangements within thirty (30) days of such default unless the Ratings Agencies confirm that no downgrade to the then current ratings of the Notes would occur as a result of the relevant Borrower Swap Transaction being terminated.

Transfer of the Borrower Swap Agreements

NIBC Bank N.V. as Borrower Swap Counterparty will, subject to the guarantor of the Back-up Borrower Swap Counterparty then having the Counterparty Requisite Rating, assign its rights, title and interest under the relevant

Borrower Swap Agreements to the Back-up Borrower Swap Counterparty and the Back-up Borrower Swap Counterparty will assume all of NIBC Bank N.V. as Borrower Swap Counterparty's liabilities, obligations and duties under the relevant Borrower Swap Agreements if the credit rating of the long-term, unsecured and unsubordinated debt obligations of NIBC Bank N.V. as Borrower Swap Counterparty falls below "BBB" by Fitch, below "Baa2" by Moody's or below "BBB" by S&P or if NIBC Bank N.V. fails to make any payment when due under the Borrower Swap Agreements.

Upon the assignment of rights to and assumption of liabilities by the Back-up Borrower Swap Counterparty under the relevant Borrower Swap Agreement pursuant to the relevant Borrower Contingent Assignment and Assumption Deed, the terms of the relevant Borrower Swap Agreement will be automatically amended including, among other amendments, to impose the Counterparty Requisite Ratings on the guarantor of the Back-up Borrower Swap Counterparty or any successor thereto.

If, at any time prior to the assignment of rights to and assumption of liabilities by the Back-up Borrower Swap Counterparty under the relevant Borrower Swap Agreement pursuant to relevant Borrower Contingent Assignment and Assumption Deed, the guarantor of the Back-up Borrower Swap Counterparty ceases to have the Counterparty Requisite Rating, then within 30 days of such cessation, NIBC Bank N.V. as Borrower Swap Counterparty will be required to take certain remedial measures which may include providing collateral for its obligations under the Borrower Swap Agreements, arranging for its obligations under the Borrower Hedging Arrangements to be transferred to another entity, entering into a replacement contingent assignment and assumption deed on similar terms as the relevant Borrower Contingent Assignment and Assumption Deed with another entity, procuring another entity to become co-obligor or guarantor, as applicable, in respect of its obligations under the relevant Borrower Swap Agreements, or taking such other action as it may agree with S&P and/or Moody's and/or Fitch, as relevant, in each case where applicable such that the rating of the Notes is maintained at, or returned to the level it would have had immediate prior to such ratings event.

Under the terms of the relevant Borrower Contingent Assignment and Assumption Deed, following the assignment of NIBC Bank N.V. as Borrower Swap Counterparty's rights to and the assumption of the Borrower Swap Counterparty's liabilities under the relevant Borrower Swap Agreements by the Back-up Borrower Swap Counterparty, the terms of the relevant Borrower Swap Agreements will be amended to provide that, in the event that the long-term unsecured and unsubordinated debt obligations of the guarantor of the Back-up Borrower Swap Counterparty cease to be rated as least as high as "AA-" by S&P or "A2" by Moody's or "A" by Fitch, or the short-term, unsecured and unsubordinated debt obligations of the guarantor of the Back-up Borrower Swap Counterparty cease to be rated at least as high as "P-l" (or its equivalent) by Moody's or "F1" by Fitch, and, if applicable, as a result of the downgrade, the then current ratings of the Notes would or may, as the case may be, be adversely affected, the Back-up Borrower Swap Counterparty will be required to take certain remedial measures which may include providing collateral for its obligations under the relevant Borrower Swap Agreements, arranging for its obligations under the relevant Borrower Swap Agreements to be transferred to another entity, procuring another entity to become co-obligor in respect of its obligations under the relevant Borrower Swap Agreements, or taking such other action as it may agree with S&P and/or Moody's and/or Fitch, as relevant, in each case where applicable such that the rating of the Notes is maintained at, or restored to, the level it would have had immediately prior to such rating event.

The maturity of the hedging transactions under each Borrower Swap Agreement coincides with the relevant Loan Maturity Date.

The Borrower and Borrower Swap Counterparty will not be entitled to amend or waive the terms of the Borrower Swap Agreement without the consent of the Agent.

The Borrower Swap Agreements are governed by English law.

Hedging Loans

In the event that a Borrower fails to pay all or any part of certain amounts which are due and payable pursuant to the relevant Borrower Swap Agreement and that failure to pay would constitute an event of default under the Loan Agreement, the Issuer may, pursuant to the terms of the Loan Agreement, make a Loan to the Borrower to enable it to pay that amount (a **Hedging Loan**). A Hedging Loan will be repayable on demand on any Loan Interest Payment Date or at any time on or after the date the Agent by notice to the Borrower accelerates the Loans. A Hedging Loan will bear interest at a default rate which is expressed as a percentage rate *per annum* equal to the cost to the Issuer of funding that Hedging Loan by making an Income Deficiency Loan under the Liquidity Facility Agreement.

Borrower Swap Collateral Accounts

Any collateral amounts which may be required to be provided by a Borrower Swap Counterparty following such Borrower Swap Counterparty Ratings Downgrade pursuant to the relevant Borrower Swap Agreement may be delivered in the form of cash (or otherwise, in accordance with Rating Agencies guidelines). Cash amounts will be paid into a newly opened account of the relevant Borrower designated a **Borrower Swap Collateral Account**. Amounts standing to the credit of such Borrower Swap Collateral Account will be used to discharge any obligations owing to that Borrower Swap Counterparty.

ISSUER SECURITY AND CASHFLOWS

A. Issuer Security

Parallel creditorship

Each of the Issuer Security Beneficiaries and the Issuer will agree that the Note Trustee shall be the parallel creditor (together with the other Issuer Security Beneficiaries) of each and every payment obligation of the Issuer towards each of the Issuer Security Beneficiaries under the Transaction Documents, and that accordingly the Note Trustee will have its own independent right to demand performance by the Issuer of those obligations. However, in each case, any discharge of any such obligation to the Note Trustee or to an Issuer Secured Party shall, to the same extent, discharge the corresponding obligation owing to the other. To the extent that the Note Trustee irrevocably receives any amount in payment as the parallel creditor, the Note Trustee shall distribute such amount among the Issuer Security Beneficiaries in accordance with the relevant Priority of Payments.

Dutch law security

The Issuer will, pursuant to a Dutch law security agreement, grant security over all of its rights and assets including, *inter alia*, the Issuer Accounts (except for the Liquidity Stand-by Account which will be secured under an English law Security Agreement), its rights in the Loans including its rights under the parallel debt undertaking contained in the Loan Agreements and consequently its rights with respect to (i) that part of the Loan Security that is governed by Dutch law and (ii) the accessory security rights (*akzessorische Sicherheiten*) comprised in that part of the Loan Security governed by German law and (iii) all of its present and future rights and receivables under the Transaction Documents to which it is a party.

The security interests created under the Dutch Law Issuer Security Agreement will be granted in favour of the Note Trustee as a creditor in respect of the parallel debt undertaking of the Issuer and thus for the benefit of the Issuer Security Beneficiaries.

German law security

The Issuer will, pursuant to one or more German law security assignment or transfer agreements:

(a) transfer the Mortgages to the Note Trustee; and

(b) assign the other non-accessory security rights (*nicht akzessorische Sicherheiten*) comprised in that part of the Loan Security governed by German law to the Note Trustee.

English law security

The Issuer will, pursuant to an English law security agreement, grant security over all of the Issuer's rights under the English law Transaction Documents to which it is a party.

The security interests created under the English Law Issuer Security Agreement will be granted in favour of the Note Trustee for the benefit of the Issuer Security Beneficiaries.

Isle of Man Security

The Issuer will, pursuant to a Manx law security agreement, grant security over all of the Issuer's rights under the Manx law Transaction Documents to which it is a party.

The security interests created under the Manx Law Issuer Security Agreement will be granted in favour of the Note Trustee for the benefit of the Issuer Security Beneficiaries.

The above security agreements are referred to as the **Issuer Security Agreements**.

General

The Issuer Security secures an amount equal to all amounts owed by the Issuer to the Noteholders, the Note Trustee, any appointee of the Note Trustee, the Servicer, the Special Servicer, the Director of the Issuer, the Trustee Director, the Liquidity Facility Provider, the Issuer Account Bank, the Issuer Swap Counterparty, the Borrower Swap Counterparties (in respect of amounts owed to it by the Issuer in its capacity as Agent or otherwise), the Originator (in respect of amounts due under the Loan Transfer Agreements), the Paying Agents, the Calculation Agent and any other party so designated by the Issuer and the Note Trustee (the **Issuer Security Beneficiaries**).

As a result of the Issuer Security Agreements the Note Trustee will have the benefit of the Loan Security, including the Mortgages. Investors should note that the part of the Issuer Security that comprises the Loan Security, including the Mortgages, will only secure the amounts owed by the Obligors to the Finance Parties under the Finance Documents, including the Borrower Swap Agreement. The Note Trustee will however be entitled to enforce the Loan Security subject to and in accordance with the Post-Enforcement Priority of Payments. In that respect the Note Trustee will act as agent and/or trustee on behalf of the Issuer Security Beneficiaries.

Prior to enforcement of the Issuer Security, payments in respect of each Class of Notes will rank in accordance with the Pre-Enforcement Interest Priority of Payments. Upon acceleration of the Notes or enforcement of the Issuer Security, payments in respect of each Class of Notes will rank in accordance with the Post-Enforcement Priority of Payments. See *Issuer Security and Cashflows – Cashflows*.

The Class X Note will be cash collateralised by amounts credited to the Class X Principal Account, and such amounts will only be used to satisfy principal repayment on the Class X Note.

Note Trustee

Stichting Note Trustee MESDAG (Charlie) (the **Note Trustee**) is a foundation (*stichting*) established under the laws of the Netherlands on 15 November 2006 with registered number 34236557. It has its registered office at Olympic Plaza, Fred. Roeskestraat 123, 1076 EE Amsterdam, the Netherlands.

The objects of the Note Trustee are:

(a) to act as agent and/or trustee for the benefit of (i) the holders of notes to be issued by the Issuer; (ii) counterparties of the Issuer in the context of securitisation transactions and other creditors of the Issuer;

(b) to acquire security rights as agent and/or trustee and/or for itself including security rights granted to it to secure its rights as creditor under the parallel debt undertaking of the Issuer towards it as set out in the Issuer Security Agreements;

(c) to hold, administer and to enforce the security rights mentioned under (b); and

(d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Note Trustee is Amsterdamsch Trustee's Kantoor B.V.

B. Issuer Accounts

Issuer Collection Account

Pursuant to a bank account agreement to be dated on or before the Closing Date (the **Issuer Account Bank Agreement**), the Issuer Account Bank will open and maintain an account in the name of the Issuer (the **Issuer Collection Account**) into which will be paid all amounts received by the Issuer from the Borrower and the proceeds of all Income Deficiency Loans.

The Issuer Account Bank will agree to comply with any direction of the Servicer or the Issuer (prior to enforcement of the Issuer Security) or the Servicer or Note Trustee (after enforcement of the Issuer Security) to effect payments from the Issuer Collection Account if such direction is made in accordance with the mandate governing the account.

Liquidity Stand-by Account

Any Liquidity Stand-by Loan which the Issuer may make from the Liquidity Facility Provider (see *Liquidity Facility* below) will be credited to the Liquidity Stand-By Account in the name of the Issuer (the **Liquidity Stand-by Account**) with the Liquidity Facility Provider or, if the Liquidity Facility Provider is not an Eligible Institution, any bank which is an Eligible Institution. Following the enforcement of the Issuer Security, the Note Trustee will pay the amount (if any) standing to the credit of the Liquidity Stand-by Account to the Liquidity Facility Provider.

Swap Collateral Account

For a description of the Issuer Swap Collateral Accounts to be maintained by the Issuer, see *Issuer Security & Cashflows – Issuer Swap Agreement*.

Class X Principal Account

On the Closing Date, the Issuer will deposit €50,000 into a separate account held with the Issuer Account Bank (the **Class X Principal Account**), which account will be available to pay principal only on the Class X Note when such principal is due as noted above. Any interest amounts accrued on the Class X Principal Account will form part of Available Issuer Income.

Issuer Share Capital Account

The Issuer will open and maintain with the Issuer Account Bank an account designated the **Issuer Share Capital Account.** This Account will hold the Issuer's share capital of €18.000. The Issuer can use the amount standing to the credit of the Issuer Share Capital Account to pay senior costs during a Collection Period. On every Notes Interest Payment Date the Issuer shall first replenish the Issuer Share Capital Account to €18.000 again before the Issuer uses the Available Issuer Income to pay the Noteholders and other Issuer Security Beneficiaries.

Together, the Issuer Collection Account, the Liquidity Stand-by Account, the Swap Collateral Account, the Class X Principal Account and the Issuer Share Capital Account are the **Issuer Accounts.**

Ledgers

The Cash Manager will maintain a ledger in respect of each Class of Notes in respect of deficiencies in principal receipts (each a **Principal Deficiency Ledger**) on behalf of the Issuer:

The Cash Manager will from time to time in accordance with the payments made (a) debit the relevant Principal Deficiency Ledger with any write-offs of principal on the Loans and (b) debit the relevant Principal Deficiency Ledger with any principal loss recorded or (c) credit the relevant Principal Deficiency Ledger with any late recoveries recorded in accordance with the Servicing Agreement and the Conditions.

Termination of appointment of the Issuer Account Bank

The Issuer Account Bank Agreement will require that the Issuer Account Bank be, except in certain limited circumstances, a bank which is an Eligible Institution. If it ceases to be an Eligible Institution, the Issuer Account Bank will be required to give written notice of such event to the Issuer, the Servicer and the Note Trustee and will, within a reasonable time after having obtained the prior written consent of the Issuer, the Servicer and the Note Trustee and subject to establishing substantially similar arrangements to those contained in the Issuer Account Bank Agreement, procure the transfer of the Issuer Collection Account and each other account of the Issuer held with the Issuer Account Bank to another bank which is an Eligible Institution. The Issuer Account Bank will be required to use all reasonable efforts to ensure that such a transfer will take place within 30 days of its ceasing to be an Eligible Institution. If, however, at the time when a transfer of such account or accounts would otherwise have to be made, there is no other bank which is an Eligible Institution or if no Eligible Institution agrees to such a transfer, the accounts will not be required to be transferred until such time as there is a bank which is an Eligible Institution or an Eligible Institution which so agrees, as the case may be.

An **Eligible Institution** in relation to a bank or a financial institution means a bank or a financial institution which is an entity the short-term unsecured, unguaranteed and unsubordinated debt obligations of which are rated "F1+" by Fitch, "P-1" by Moody's and or "A-1+" by S&P, if at the relevant time there is no such entity, any entity approved in writing by the Note Trustee.

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

C. Cashflows

Available Issuer Income is determined on each Calculation Date and will comprise:

(a) Any amounts received by the Issuer in respect of and under a Hedging Loan;

(b) all monies (other than principal receipts and prepayment fees) received by the Issuer, including for the avoidance of doubt any Income Deficiency Loans or any amounts from the Issuer Swap Counterparty (excluding any amounts standing to the credit of the Issuer Collateral Account), under or in respect of the Loan Agreements (including any break costs, tax gross-up payments and indemnities) during the relevant Calculation Period;

(c) any interest accrued upon the Issuer Accounts during the relevant Calculation Period; and

(d) to the extent relating to principal and interest, any indemnity payments received by the Issuer from the Originator under the Loan Transfer Agreements during the relevant Calculation Period.

Payments Paid out of the Issuer Collection Account – priority payments

The Issuer (or the Servicer or Special Servicer on its behalf (as the case may be)) may, prior to the delivery of a Notes Acceleration Notice, out of funds standing to the credit of the Issuer Share Capital Account (if any), pay sums due to third parties (other than to any party to any of the Transaction Documents), including, without limitation, audit fees, fees due to the stock exchange where the Notes (or any of them) are then listed, fees due to Rating Agencies and the Issuer's liability, if any, to taxation (the **Priority Amounts**), on a date other than a Notes Interest Payment Date under obligations incurred, without breach of obligations under the Transaction Documents, in the course of the Issuer's business.

Pre-Enforcement Interest Priority of Payments

Prior to the delivery of a Notes Acceleration Notice, on each Notes Interest Payment Date, the Issuer and/or Servicer shall (and the Issuer and the Note Trustee shall authorise the Servicer to) apply an amount equal to the Available Issuer Income, each as determined on the preceding Calculation Date in the following order of priority (the **Pre-Enforcement Interest Priority of Payments**) (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full):

(a) in or towards payment to any Borrower Swap Counterparty of any amounts owing by the Issuer (in its capacity as Agent) under the Finance Documents;

(b) in or towards satisfaction on a *pro rata* and *pari passu* basis according to the respective amounts thereof of any costs, expenses, fees, remuneration, indemnity payments (if any) and any other amounts payable by the Issuer to the Note Trustee (which shall include any amounts in respect of fees or reimbursement of expenses payable by the Note Trustee to the Trustee Director under the Trustee Management Agreement) and any other person appointed by the Note Trustee under the Trust Deed, the Issuer Security Agreements and/or any Transaction Document to which the Note Trustee is a party together with any amounts of interest that accrued prior to the transfer of the Loans to the Issuer that are payable to the Originator pursuant to the Loan Transfer Agreements and making good any amounts withdrawn from the Issuer Share Capital Account during the immediately preceding Notes Interest Period to pay any expenses (other than to any party to any of the Transaction Documents);

(c) in or towards satisfaction on a *pro rata* and *pari passu* basis according to the respective amounts thereof of (a) the amounts, including, without limitation, audit fees, fees due to the stock exchange where the Notes (or any of them) are then listed, fees due to Rating Agencies, fees to maintain the Issuer's corporate existence, to keep it in good standing, fees of the Director of the Issuer under the Issuer Management Agreement, advisors fees and accountants fees, which are payable by the Issuer to third parties (other than to any party to any of the Transaction Documents) and incurred without breach by the Issuer of the Trust Deed or the Issuer Security Agreements and not provided for payment elsewhere and (b) to provide for any such amounts expected to become due and payable by the Issuer after that Notes Interest Payment Date including any liability for tax;

(d) in or towards satisfaction *pro rata* and *pari passu* basis according to the respective amounts thereof of any amounts due and payable by the Issuer on such Notes Interest Payment Date to:

(i) the Paying Agents and the Calculation Agent under the Agency Agreement;

(ii) the Issuer Account Bank under the Issuer Account Bank Agreement; and

(iii) the Servicer and the Special Servicer pursuant to the Servicing Agreement (including any substitute servicer or special servicer appointed in accordance therewith);

(e) in or towards satisfaction *pro rata* and *pari passu* basis according to the respective amounts thereof of any amounts due and payable by the Issuer on such Notes Interest Payment Date to:

(i) the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement; and

(ii) the Issuer Swap Counterparty in accordance with the Issuer Swap Agreement;

(f) in or towards payment (on a *pro rata* and *pari passu* basis) of interest due and interest overdue (and all interest due on such overdue interest) on the Class A Notes and the Class X Note;

(g) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class B Notes;

(h) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class C Notes;

(i) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class D Notes;

(j) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class E Notes; and

(k) any surplus to the Class X Note.

Payments of principal prior to the service of a Note Acceleration Notice

Prior to the service of a Note Acceleration Notice, on each Notes Interest Payment Date, all amounts of principal receipts in respect of or relating to the Loans (whether by way of repayment or prepayment) received by the Issuer will be applied in accordance with Condition 6 (*Mandatory redemption of the Notes in part*).

Post-Enforcement Priority of Payments

Following the delivery of a Notes Acceleration Notice, the Note Trustee shall (and the Issuer shall authorise the Note Trustee to) withdraw amounts standing to the credit of the Issuer Collection Account and apply such amounts (together with all other amounts received or recovered by the Note Trustee in connection with the enforcement of the Issuer Security (other than any amounts standing to the credit of (a) the Liquidity Stand-by Account (if any) which shall be paid directly to the Liquidity Facility Provider and (b) the Class X Principal Account which shall be paid directly to the Class X Noteholder and (c) the Issuer Swap Collateral Account which shall be paid directly to the Issuer Swap Counterparty) in accordance with the following order of priority (the **Post-Enforcement Priority of Payments** and, together with the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the **Priorities of Payments**) (in each case, only if and to the extent that the payments and provisions of a higher priority have been made in full):

(a) in or towards payment to any Borrower Swap Counterparty of any amounts owing by the Issuer (in its capacity as Agent) under the Finance Documents;

(b) in or towards satisfaction on a *pro rata* and *pari passu* basis according to the respective amounts thereof of any costs, expenses, fees, remuneration, indemnity payments (if any) and any other amounts payable by the Issuer to the Note Trustee (which shall include any amounts in respect of fees or reimbursement of expenses payable by the Note Trustee to the Trustee Director under the Trustee Management Agreement) and any other person appointed by the Note Trustee under the Trust Deed, the Issuer Security Agreements and/or any Transaction Document to which the Note Trustee is a party together with any amounts of interest that accrued prior to the transfer of the Loans to the Issuer that are payable to the Originator pursuant to the Loan Transfer Agreements;

(c) in or towards satisfaction *pro rata* and *pari passu* basis according to the respective amounts thereof of any amounts due and payable by the Issuer on such Notes Interest Payment Date to:

  (i) the Director of the Issuer under the Issuer Management Agreement;

  (ii) the Paying Agents and the Calculation Agent under the Agency Agreement;

  (iii) the Issuer Account Bank under the Issuer Account Bank Agreement; and

  (iv) the Servicer and the Special Servicer pursuant to the Servicing Agreement (including any substitute servicer or special servicer appointed in accordance therewith);

(d) in or towards satisfaction *pro rata* and *pari passu* basis according to the respective amounts thereof of any amounts due and payable by the Issuer on such Notes Interest Payment Date to:

  (i) the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement; and

(ii) the Issuer Swap Counterparty in accordance with the Issuer Swap Agreement;

(e) in or towards payment (on a *pro rata* and *pari passu* basis) of interest due and interest overdue (and all interest due on such overdue interest) on the Class A Notes and Class X Note;

(f) in or towards payment (on a *pro rata* and *pari passu* basis) of all amounts of principal due or overdue on the Class A Notes and Class X Note and all other amounts due in respect of the Class A Notes and Class X Note (which, in the case of principal due or overdue on the Class X Note, shall be paid from amounts standing to the credit of the Class X Principal Account);

(g) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class B Notes;

(h) in or towards payment of all amounts of principal due or overdue on the Class B Notes and all other amounts due in respect of the Class B Notes;

(i) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class C Notes;

(j) in or towards payment of all amounts of principal due or overdue on the Class C Notes and all other amounts due in respect of the Class C Notes;

(k) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class D Notes;

(l) in or towards payment of all amounts of principal due or overdue on the Class D Notes and all other amounts due in respect of the Class D Notes;

(m) in or towards payment of interest due and interest overdue (and all interest due on such overdue interest) on the Class E Notes;

(n) in or towards payment of all amounts of principal due or overdue on the Class E Notes and all other amounts due in respect of the Class E Notes; and

(o) any surplus to the Class X Note or other persons entitled thereto.

Upon enforcement of the Issuer Security, the Note Trustee will have recourse only to the rights of the Issuer in respect of the Loans and the Loan Security and all other assets constituting the Issuer Security. Other than in relation to the Servicing Agreement and the Notes Purchase Agreement for breach of the obligations of the Originator set out therein, the Issuer and/or the Note Trustee will have no recourse to the Originator. Enforcement of the Issuer Security shall be the only remedy available for the repayment of the Notes and the payment of accrued interest thereon.

D. Liquidity Facility Agreement

To mitigate the risk that Available Issuer Income (less any amount to be requested as an Income Deficiency Loan on that date) will be insufficient to cover certain payments due under the Priorities of Payments or that the Borrower will not be able to make payments under the Borrower Swap Agreement or if an Obligor will not be able to pay certain property related costs e.g. insurance premia, the Issuer will enter into a liquidity facility

agreement on or before the Closing Date (the **Liquidity Facility Agreement**) with the Liquidity Facility Provider and the Note Trustee. Under this agreement, the Liquidity Facility Provider will provide a 364-day committed liquidity facility (the **Liquidity Facility**) to the Issuer which will be renewable with the agreement of the Liquidity Facility Provider until the Notes Maturity Date. **Investors should note that the purpose of the Liquidity Facility Agreement will be to provide liquidity, not credit support, and that the Liquidity Facility Provider will be entitled to receive interest and repayments of principal on drawings made under the Liquidity Facility Agreement in priority to payments to be made to Noteholders (which would ultimately reduce the amount available for distribution to Noteholders).**

The Liquidity Facility Agreement will initially permit drawings to be made by the Issuer of up to an aggregate amount equal to 6.5% of the Principal Amount Outstanding under the Notes (other than the Class X Note) (the **Liquidity Commitment**). The Liquidity Commitment will automatically reduce (and to the extent reduced, be cancelled):

(a) on each Notes Interest Payment Date, upon a partial redemption of the Notes in accordance with Condition 6, such that the Liquidity Commitment after such reduction (and cancellation) will be an amount to equal 6.5% of the Principal Amount Outstanding of the Notes (other than the Class X Note) on that Notes Interest Payment Date (after taking into account the relevant partial redemption of the Notes on that Notes Interest Payment Date); or

(b) upon receipt of confirmation from the Rating Agencies that any proposed reduction (and cancellation) in the amount of the Liquidity Commitment by the Issuer will not adversely affect the then current ratings of the Notes,

provided that the Liquidity Commitment shall not, at any time, be less than the lesser of (x) 50% of the Liquidity Commitment at the Closing Date and (y) 15% of the Principal Amount Outstanding under the Notes (other than the Class X Note).

On each Calculation Date, the Servicer will determine whether Available Issuer Income will be sufficient to make the payments set out under paragraphs (a) to (j) of the Pre-Enforcement Interest Priority of Payments on the next Notes Interest Payment Date. The Servicer shall also determine whether any Hedging Loan, and the Servicer or the Special Servicer (as the case may be) shall determine whether any Property Protection Advance, is required to be made by the Issuer to a Borrower. If such amount is insufficient or if the Servicer (or the Special Servicer, as the case may be) determines that a Hedging Loan or a Property Protection Advance is required to be made, the Servicer (or the Special Servicer, as the case may be) will submit a request (on behalf of the Issuer) to make a drawing (an **Income Deficiency Loan**) under the Liquidity Facility Agreement in an amount equal to the deficiency (an **Income Deficiency**) or the amount of the Hedging Loan or Property Protection Advance required. The proceeds of any Income Deficiency Loan will be credited to the Issuer Collection Account and will be applied by the Issuer in making payments on the next following Notes Interest Payment Date in accordance with the relevant Priority of Payments or (in respect of any Income Deficiency Loan made for the purposes of financing a Hedging Loan or a Property Protection Advance) will be lent by the Issuer to a Borrower as a Hedging Loan or Property Protection Advance (as the case may be) in accordance with the provisions of the Finance Documents.

All payments due to the Liquidity Facility Provider under the Liquidity Facility Agreement will rank in priority to payments of interest and principal on the Notes.

Interest on drawings under the Liquidity Facility

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

Liquidity Stand-by Loans

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

(a) the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider falls below the Liquidity Requisite Rating; or

(b) the Liquidity Facility Provider refuses to renew the liquidity facility,

then the Issuer (or the Servicer) will be required to find an alternative Liquidity Facility Provider which, *inter alia*, does have a Liquidity Requisite Rating within 30 days of the date on which the Liquidity Facility Provider loses the Liquidity Requisite Rating. If the Issuer (or Servicer) fails to do so it will require the Liquidity Facility Provider to pay an amount equal to its undrawn commitment under the Liquidity Facility Agreement (a **Liquidity Stand-by Loan** and together with any Income Deficiency Loan, the **Liquidity Loans**) into the Liquidity Stand-by Account maintained with the Liquidity Facility Provider or, if the Liquidity Facility Provider ceases to have a Liquidity Requisite Rating, any bank which has a Liquidity Requisite Rating. Amounts standing to the credit of the Liquidity Stand-by Account will be available to the Issuer for the purposes of making deemed Income Deficiency Loans as described above, and otherwise in the circumstances provided in the Liquidity Facility Agreement. If a replacement Liquidity Facility Provider is required as a result of any of the circumstances described in (a) or (b) above, the existing Liquidity Facility Provider shall at its own expense and if so requested by or on behalf of the Issuer, replace or transfer the facility to a new Liquidity Facility Provider.

Liquidity Requisite Rating means a rating for the short-term, unguaranteed, unsecured and unsubordinated debt obligations of the Liquidity Facility Provider of at least an "F1" rating (or its equivalent) by Fitch, "P-1" rating by Moody's or an "A-1+" rating (or its equivalent) by S&P.

Fees

The Liquidity Facility Provider will be entitled to receive a commitment fee from the Issuer computed at the rate of 0.15% per cent. per annum on the undrawn, uncancelled amount of the Liquidity Commitment (the **Liquidity Commitment Fee**). The accrued Liquidity Commitment Fee is payable by the Issuer to the Liquidity Facility Provider quarterly in arrear on each Notes Interest Payment Date. The accrued Liquidity Commitment Fee is also payable by the Issuer to the Liquidity Facility Provider on any cancelled amounts of the Liquidity Commitment on the Notes Interest Payment Date immediately following the time the relevant cancellation takes effect.

Governing Law

The Liquidity Facility Agreement will be governed by English law.

E. Issuer Swap Agreements

Issuer Basis Swap Agreement

The Issuer will enter into swap transactions with the Issuer Swap Counterparty to mitigate the Issuer's interest rate exposure arising as a result of differences between the rates of interest (arising as a result of the gap between the fixing dates for interest on each Loan and on the Notes) charged on the Loans and the rates at which the Notes bear interest (each, an **Issuer Basis Swap Transactions**).

The Issuer Basis Swap Transactions entered into by the Issuer will be documented under a 1992 ISDA Master Agreement (Multicurrency – Cross Border), as amended and supplemented from time to time (the **Issuer Basis Swap Agreement**), and will be over-the-counter transactions negotiated at arm's length between the Issuer and the Issuer Swap Counterparty.

The Issuer Basis Swap Transactions may be terminated in accordance with certain events of default and termination events (each as defined in the Issuer Basis Swap Agreement) commonly found in standard ISDA documentation. The Issuer Swap Transaction will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) the Notes are redeemed in full pursuant to Condition 6.3 or 6.4, or (iii) a Notes Acceleration Notice is served. Events of Default in relation to the Issuer will be limited to (i) non-payment under the Issuer Basis Swap Agreement, (ii) certain insolvency events, and (iii) the service of a Notes Acceleration Notice.

Pursuant to the terms of the Issuer Basis Swap Agreement, in the event that the credit ratings assigned to the Issuer Swap Counterparty by a Rating Agency are downgraded by a Rating Agency below the ratings specified in the relevant Issuer Basis Swap Agreement (in accordance with the requirements of the Rating Agencies) for the Issuer Swap Counterparty and, if applicable, as a result thereof, the then current ratings of the Notes may, in the reasonable opinion of the relevant Rating Agencies, be downgraded or placed under review for possible downgrade (an **Issuer Swap Counterparty Ratings Downgrade**), the relevant Issuer Swap Counterparty will, in accordance with the Issuer Basis Swap Agreement, be required to take certain remedial measures within 30 days of such Issuer Swap Counterparty Ratings Downgrade, which may include providing collateral for its obligations under the Issuer Basis Swap Agreement, arranging for its obligations under the Issuer Basis Swap Agreement to be transferred to an entity with the ratings required by the relevant Rating Agency as specified in the Issuer Basis Swap Agreement (in accordance with the requirements of the relevant Rating Agency), procuring another entity with ratings required by the relevant Rating Agency as specified in the Issuer Basis Swap Agreement (in accordance with the requirements of the relevant Rating Agency) to become a guarantor in respect of its obligations under the Issuer Basis Swap Agreement, or taking such other action as it may agree with the relevant Rating Agency.

Any collateral amounts which may be required to be provided by the Issuer Swap Counterparty following such Issuer Swap Counterparty Ratings Downgrade pursuant to the Issuer Basis Swap Agreement may be delivered in the form of cash (or otherwise, in accordance with Rating Agencies guidelines). Cash amounts will be paid into a newly opened account of the Issuer designated the **Issuer Basis Swap Collateral Account**. Amounts standing to the credit of the Issuer Basis Swap Collateral Account will be used for (i) firstly, to discharge any obligations owing to the Issuer Swap Counterparty and (ii) secondly, when the claims in (i) are satisfied in full, to discharge the obligations owed by the Issuer to its remaining creditors.

A failure by the Issuer Swap Counterparty to take such steps following a Issuer Swap Counterparty Ratings Downgrade will give the Issuer the right, subject to certain conditions, to terminate the Issuer Basis Swap Agreement.

Upon the occurrence of any termination of the Issuer Basis Swap Agreement, the Issuer or an Issuer Swap Counterparty may be liable to make a termination payment to the other. The amount of any termination payment will be based on the market value of the terminated Issuer Basis Swap Agreement.

In the event that the Issuer is required to withhold or deduct from any payments payable by it to the Issuer Swap Counterparty an amount in respect of tax, the Issuer will not be required pursuant to the terms of the Issuer Basis Swap Agreement to pay to the Issuer Swap Counterparty such amounts as are required to ensure that the Issuer Swap Counterparty receives the same amount that it would have received had such withholding or deduction not been made.

In the event that the Issuer Swap Counterparty is required to withhold or deduct from any payments payable by it to the Issuer an amount in respect of tax, the Issuer Swap Counterparty will be required pursuant to the terms of the Issuer Basis Swap Agreement to pay to the Issuer such amounts as are required to ensure that the Issuer receives the same amount that it would have received had such withholding or deduction not been made.

In either event, the Issuer Basis Swap Agreement will provide that if, due to action taken by a relevant taxing authority or court or any change in tax law, the Issuer Swap Counterparty will (or there is a substantial likelihood that it will) either (i) receive any payment under the Issuer Basis Swap Agreement from the Issuer from which an amount is required to be deducted or withheld for or on account of tax, or (ii) pay an additional amount under the Issuer Basis Swap Agreement to ensure that the Issuer receives the same amount that it would have received had such withholding or deduction not been made (each being a **Tax Event**), the Issuer Swap Counterparty will be required promptly to notify the Issuer thereof and use its reasonable endeavours to transfer its rights and obligations under the Issuer Basis Swap Agreement to another office, branch or affiliate to avoid the relevant Tax Event. If no such transfer can be affected within 30 days of such notice being given, the Issuer Swap Counterparty will be entitled to terminate the Issuer Basis Swap Transactions.

The Issuer Swap Counterparty may, at its own discretion and its own cost, transfer all of its rights and obligations under the Issuer Basis Swap Agreement to any third-party provided that, *inter alia*, such third-party has the minimum credit rating required by the Rating Agencies (as specified in the Issuer Basis Swap Agreement) and that any such transfer has been notified to the Note Trustee.

Issuer Fixed-Floating Swap Agreement

The Issuer will also enter into swap transactions with the Issuer Swap Counterparty to mitigate mismatches arising as a result of certain Borrowers paying the Issuer fixed rates of interest on certain of the Loans and the Issuer being required to pay floating rates of interest on the Notes (the **Issuer Fixed-Floating Swap Transactions**).

The Issuer Fixed-Floating Swap Transactions entered into by the Issuer will be documented under a 1992 ISDA Master Agreement (Multicurrency – Cross Border), as amended and supplemented from time to time (the **Issuer Fixed-Floating Swap Agreement** and, together with the Issuer Basis Swap Agreement, the **Issuer Swap Agreements**) and will be over-the-counter transactions negotiated at arm's length between the Issuer and the Issuer Swap Counterparty.

The obligations of NIBC Bank N.V. as Issuer Swap Counterparty under the Issuer Fixed-Floating Swap Agreement will be guaranteed by the Issuer Swap Guarantor, who will be subject to the Counterparty Requisite Rating (as defined below). Pursuant to the terms of the Issuer Contingent Assignment and Assumption Deed to be entered into on or about the Closing Date, the rights of NIBC as Issuer Swap Counterparty under the Issuer Fixed-Floating Swap Agreement will be assigned to the Back-up Issuer Swap Counterparty and the Back-up

Issuer Swap Counterparty will assume all of NIBC's liabilities under the Issuer Fixed-Floating Swap Agreement if the long-term, unsecured and unsubordinated credit rating of the debt obligations of NIBC Bank N.V. falls to or below "BBB" by S&P or Fitch or below "Baa2" by Moody's or if NIBC Bank N.V. fails to make any payment when due under the Issuer Fixed-Floating Swap Agreement. Following assignment of rights and assumption of liabilities, all references herein to NIBC as "Issuer Swap Counterparty" in respect of the Issuer Fixed-Floating Swap Agreement shall be to the Back-up Issuer Swap Counterparty or any successors thereto. The obligations of the Back-up Issuer Swap Counterparty will be guaranteed by UBS AG, who will be subject to the Counterparty Requisite Rating (as defined below).

Termination of the Issuer Fixed-Floating Swap Agreement

The Issuer Fixed-Floating Swap Transactions may be terminated in accordance with certain events of default and termination events (each as defined in the Issuer Fixed-Floating Swap Agreement) commonly found in standard ISDA documentation. The Issuer Fixed-Floating Swap Transactions will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) the Notes are redeemed in full pursuant to Condition 6.3 or 6.4, or (iii) a Notes Acceleration Notice is served. Events of Default in relation to the Issuer will be limited to (i) non-payment under the Issuer Fixed-Floating Swap Agreement, (ii) certain insolvency events, and (iii) the service of a Notes Acceleration Notice.

The Issuer Swap Counterparty (or the Issuer Swap Guarantor, as the case may be) must have a requisite rating of "A+" or better by Fitch, "A2" or better by Moody's and "AA-" (or better) by S&P for its long term debt obligations (the **Counterparty Requisite Ratings**).

Transfer of the Issuer Fixed-Floating Swap Agreement

NIBC Bank N.V. as Issuer Swap Counterparty will, subject to the guarantor of the Back-up Issuer Swap Counterparty then having the Counterparty Requisite Rating, assign its rights, title and interest under the Issuer Fixed-Floating Swap Agreement to the Back-up Issuer Swap Counterparty and the Back-up Issuer Swap Counterparty will assume all of NIBC Bank N.V. as Issuer Swap Counterparty's liabilities, obligations and duties under the Issuer Fixed-Floating Swap Agreement if the credit rating of the long-term, unsecured and unsubordinated debt obligations of NIBC Bank N.V. as Issuer Swap Counterparty pursuant to the Issuer Fixed-Floating Swap Agreement or the Issuer Swap Guarantor falls below "BBB" by Fitch, below "Baa2" by Moody's or below "BBB" by S&P or if NIBC Bank N.V. or the Issuer Swap Guarantor fails to make any payment when due under the Issuer Fixed-Floating Swap Agreement.

Upon the assignment of rights to and assumption of liabilities by the Back-up Issuer Swap Counterparty under the Issuer Fixed-Floating Swap Agreement pursuant to the Issuer Contingent Assignment and Assumption Deed, the terms of the Issuer Fixed-Floating Swap Agreement will be automatically amended including, among other amendments, to impose the Counterparty Requisite Rating on the guarantor of the Back-up Issuer Swap Counterparty or any successor thereto.

If, at any time prior to the assignment of rights to and assumption of liabilities by the Back-up Issuer Swap Counterparty under the Issuer Fixed-Floating Swap Agreement pursuant to the Issuer Contingent Assignment and Assumption Deed, the guarantor of the Back-up Issuer Swap Counterparty ceases to have the Counterparty Requisite Rating, then within 30 days of such cessation, NIBC Bank N.V. as Issuer Swap Counterparty will be required to take certain remedial measures pursuant to the Issuer Fixed-Floating Swap Agreement which may include providing collateral for its obligations under the Issuer Fixed-Floating Swap Agreement, arranging for its obligations under the Issuer Fixed-Floating Swap Agreement to be transferred to another entity, entering into a replacement contingent assignment and assumption deed on similar terms as the Issuer Contingent Assignment

and Assumption Deed with another entity, procuring another entity to become co-obligor or guarantor, as applicable, in respect of its obligations under the Issuer Fixed-Floating Swap Agreement, or taking such other action as it may agree with S&P and/or Moody's and/or Fitch, as relevant, in each case where applicable such that the rating of the Notes is maintained at, or returned to the level it would have had immediate prior to such ratings event.

Under the terms of the Issuer Contingent Assignment and Assumption Deed, following the assignment of NIBC Bank N.V. as Swap Counterparty's rights to and the assumption of the Issuer Swap Counterparty's liabilities under the Issuer Fixed-Floating Swap Agreement by the Back-up Issuer Swap Counterparty, the terms of the Issuer Fixed-Floating Swap Agreement will be amended to provide that, in the event that the long-term unsecured and unsubordinated debt obligations of the guarantor of the Back-up Issuer Swap Counterparty cease to be rated as least as high as "AA-" by S&P or "A2" by Moody's or "A" by Fitch, or the short-term, unsecured and unsubordinated debt obligations of the guarantor of the Back-up Borrower Swap Counterparty cease to be rated at least as high as "P-l" (or its equivalent) by Moody's or "F1" by Fitch, and, if applicable, as a result of the downgrade, the then current ratings of the Notes would or may, as the case may be, be adversely affected, the Back-up Issuer Swap Counterparty will be required to take certain remedial measures which may include providing collateral for its obligations under the Issuer Fixed-Floating Swap Agreement, arranging for its obligations under the Issuer Fixed-Floating Swap Agreement to be transferred to another entity, procuring another entity to become co-obligor in respect of its obligations under the Issuer Fixed-Floating Swap Agreement, or taking such other action as it may agree with S&P and/or Moody's and/or Fitch, as relevant, in each case where applicable such that the rating of the Notes is maintained at, or restored to, the level it would have had immediately prior to such rating event.

A failure by the Back-up Issuer Swap Counterparty to take such steps following such a ratings downgrade will give the Issuer the right, subject to certain conditions, to terminate the Issuer Fixed-Floating Swap Agreement.

Upon the occurrence of any termination of the Issue Fixed-Floating Swap Agreement, the Issuer or an Issuer Swap Counterparty may be liable to make a termination payment to the other. The amount of any termination payment will be based on the market value of the transactions terminated under the Issuer Fixed-Floating Swap Agreement.

In the event that the Issuer is required to withhold or deduct from any payments payable by it to the Issuer Swap Counterparty an amount in respect of tax, the Issuer will not be required pursuant to the terms of the Issuer Fixed-Floating Swap Agreement to pay to the Issuer Swap Counterparty such amounts as are required to ensure that the Issuer Swap Counterparty receives the same amount that it would have received had such withholding or deduction not been made.

In the event that the Issuer Swap Counterparty is required to withhold or deduct from any payments payable by it to the Issuer an amount in respect of tax, the Issuer Swap Counterparty will be required pursuant to the terms of the Issuer Fixed-Floating Swap Agreement to pay to the Issuer such amounts as are required to ensure that the Issuer receives the same amount that it would have received had such withholding or deduction not been made.

In either event, the Issuer Fixed-Floating Swap Agreement will provide that if, due to action taken by a relevant taxing authority or court or any change in tax law, the Issuer Swap Counterparty will (or there is a substantial likelihood that it will) either (i) receive any payment under the Issuer Fixed-Floating Swap Agreement from the Issuer from which an amount is required to be deducted or withheld for or on account of tax, or (ii) pay an additional amount under the Issuer Fixed-Floating Swap Agreement to ensure that the Issuer receives the same amount that it would have received had such withholding or deduction not been made (each being a **Tax Event**),

the Issuer Swap Counterparty will be required promptly to notify the Issuer thereof and use its reasonable endeavours to transfer its rights and obligations under the Issuer Swap Agreement to another office, branch or affiliate to avoid the relevant Tax Event. If no such transfer can be affected within 30 days of such notice being given, the Issuer Swap Counterparty will be entitled to terminate the Issuer Fixed-Floating Swap Transactions.

The Issuer Swap Counterparty may, at its own discretion and its own cost, transfer all of its rights and obligations under the Issuer Fixed-Floating Swap Agreement to any third-party provided that, *inter alia*, such third-party has the minimum credit rating required by the Rating Agencies (as specified in the Issuer Fixed-Floating Swap Agreement) and that any such transfer has been notified to the Note Trustee.

The Issuer Swap Agreements will be governed by English law.

SERVICING

The Servicer

The Issuer and the Agent will appoint NIBC under the terms of a servicing agreement to be dated on or before the Closing Date (the **Servicing Agreement**) as the initial servicer of the Loans and Hatfield Philips International Limited as the initial special server of the Loans, in each case to have responsibility for, *inter alia*, the administration, management, servicing and special servicing of the Loans and the Loan Security. The Servicer will perform the day-to-day servicing of the Loans and will continue to service other commercial mortgage loans in addition to the Loans. The Special Servicer will specially service the Loans (if applicable) and will continue to service and specially service other commercial mortgage loans in addition to the Loans. The Agent will also delegate the performance of its functions as the agent under the Loan Agreement to the Servicer and the Special Servicer.

The Servicer will also be appointed to provide certain cash management services in relation to the Issuer Accounts as more particularly described below.

Servicing of the Loans

The Servicer and (where applicable) the Special Servicer will agree to service or specially service, as the case may be, the Loans in a diligent manner in the best interests of and for the benefit of the Issuer (as determined by the Servicer or the Special Servicer, as the case may be, in its good faith and reasonable judgement) and in accordance with applicable law, the Finance Documents and the Servicing Agreement and to the extent consistent with the foregoing, in accordance with the customary and usual standards of practice of prudent commercial mortgage lenders servicing their own mortgage loans, with a view to the timely collection of all sums due in respect of the Loans and if a Loan Event of Default occurs, the maximisation of timely recovery of principal and interest on a net present value basis of the Loans, as determined by the Servicer or the Special Servicer as the case may be, in its reasonable judgment (the **Servicing Standard**).

Each of the Servicer and each Special Servicer is required to adhere to the above standards without regard to any fees or other compensation to which it is entitled, any relationship it or any of their affiliates may have with any party to the transactions or, the ownership of any Note by the Servicer or either Special Servicer or any affiliate thereof.

Special Servicing

The Servicer will initially be responsible for the servicing and administration of the Loans.

The Servicer will promptly give notice to the Issuer, the Note Trustee and the Special Servicer of the occurrence of any of the following events in respect of the Loans (each a **Special Servicing Event**):

(a) a payment default occurring with regards to any payment due on the maturity of the Loans (taking into account any extensions to its maturity permitted under the Servicing Agreement) or any other payment default occurring in respect of any amount due under the Loan Agreement where such amount remains outstanding for 60 days or more;

(b) any Obligor becoming the subject of any bankruptcy or similar proceedings or a suspension of payments (*surséance van betaling*) being imposed;

(c) the Servicer or the Special Servicer, as the case may be, receiving a notice of the enforcement of any of the Security Interests granted under the Borrower Security Agreements; or

(d) any material Loan Event of Default occurring which is not cured within the applicable cure period or which in the opinion of the Servicer is not likely to be cured within 30 days, that would, in the opinion of the Servicer, be likely to have a material adverse effect upon the Issuer, the Loans or the Loan Security.

Upon the delivery of such notice, the Special Servicer will automatically assume all of its duties, obligations and powers under the Servicing Agreement and the Loans will become **Specially Serviced**.

If the Loans are Specially Serviced, the Servicer will continue to service the Loans in all respects as provided for in the Servicing Agreement other than in respect of certain duties which are contemplated to be performed by the Special Servicer, and shall, among other things and without limitation, continue to collect information, prepare reports and perform administrative functions (but will not be responsible for any special servicing functions and will not be entitled to receive the Special Servicing Fee with respect thereto).

The Loans will be **Corrected** if any of the following occurs with respect to the circumstances identified as having caused the Loans to be designated Specially Serviced (and provided that no other Special Servicing Event then exists with respect to the Loans):

(a) with respect to the circumstances described in paragraphs (b) or (c) of the definition of Special Servicing Event, such proceedings are terminated; or

(b) with respect to the circumstances described in paragraphs (a) or (d) of the definition of Special Servicing Event, such Loan Event of Default is cured.

If the Loans are designated as Corrected, full servicing of the Loans will be transferred back to the control of the Servicer.

Notwithstanding the appointment of a Special Servicer, the Servicer will be required to continue to collect information and prepare all reports required to be collected or prepared by it under the Servicing Agreement and perform certain other day to day administrative functions. Neither the Servicer nor any Special Servicer will have responsibility for the performance by the others of its obligations and duties under the Servicing Agreement.

Arrears and default procedures

If the Servicer determines, in its discretion that a Loan Event of Default has occurred, the Servicer will notify the relevant Borrower and any other party as required under the relevant Finance Documents, with a copy to the Issuer, the Note Trustee and the Special Servicer. The Servicer (or the Special Servicer, as the case may be) is authorised by the Issuer and the Agent to determine, in accordance with the Servicing Standard, the best strategy for exercising the rights, powers and discretions of the Issuer and the Agent following the occurrence of a Loan Event of Default. The Servicer (or the Special Servicer, as the case may be), will use their best efforts to ensure that no action will be taken in relation to a Property if, as a result of such action, the Issuer or the Agent could become liable as a result of any of its acts or omissions with respect to any such Property (e.g. as an owner or operator of any Property) under any applicable environmental law or regulation prior to determining the environmental condition of the Properties. Determinations made by the Special Servicer will be notified to the Servicer, the Issuer and the Note Trustee. Each of the Servicer and the Special Servicer (for so long as the

relevant Loan is Specially Serviced) will procure that in relation to that Loan and the Loan Security if, after enforcement of such Loan Security, an amount in excess of all sums due from the Obligors under the relevant Finance Documents is recovered or received, the balance (after discharge of all such sums) is paid to the person entitled thereto.

Amendments to the terms and conditions of the Finance Documents

The Servicer (or the Special Servicer, as the case may be) will be responsible for responding to requests by a Borrower for consent to modifications, waivers or amendments relating to the relevant Loan Agreement and the other relevant Finance Documents, or grant any consent requested by a Borrower under the relevant Finance Documents. The Servicer (or the Special Servicer, as the case may be) is restricted in its ability to a request by a Borrower for consent under, or to waive, modify or amend the terms of, the relevant Loan Agreement or the other relevant Finance Documents unless the following conditions are satisfied:

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

(b) the granting of such consent, modification, waiver or amendment will not result in an Adverse Rating Event; and

(c) the effect of such consent, modification, waiver or amendment would not extend the maturity date of the relevant Loan except in accordance with the Servicing Agreement.

The Servicer (or the Special Servicer, as the case may be) may, without any confirmation from the Rating Agencies:

(a) consent to any of the Properties being subject to an easement or right-of-way for utilities, access, parking, public improvements or another purpose, provided the Servicer or Special Servicer (as the case may be) shall have determined in accordance with the Servicing Standard that such easement or right-of-way shall not materially interfere with the then-current use of the relevant Property, or the security intended to be provided by the Finance Documents, a Borrower's ability to repay the relevant Loan, or materially or adversely affect the value of the relevant Property;

(b) grant waivers of minor covenant defaults (other than financial covenants) including late financial statements;

(c) grant releases of non-material parcels of any of the Properties (provided that if the Finance Documents expressly require such releases upon the satisfaction of certain conditions, such release shall be made as required by the Finance Documents); and

(d) consent to any request for a consent, modification, waiver or amendment that the Servicer or the Special Servicer, as applicable, determines would not result in a material modification to the terms of the relevant Loan,

provided that any such consent, modification, waiver or amendment would be consistent with the Servicing Standard and would not violate the terms, provisions or limitations of the Servicing Agreement or any other Transaction Document.

The Servicer or, if a Loan is Specially Serviced, the Special Servicer may agree to any request by the relevant Borrower to provide a consent if the provisions of the relevant Finance Document require such consent to be

granted subject to certain conditions being satisfied provided that the Servicer or the Special Servicer, as applicable, is acting in accordance with the Servicing Standard.

The Servicer or, if a Loan is Specially Serviced, the Special Servicer may modify or amend the terms of the relevant Finance Documents in order to cure any ambiguity or mistake therein or correct or supplement any provisions therein which may be inconsistent with any other provisions therein provided that, in each case, to do so would be in accordance with the Servicing Standard, and the Issuer has consented to such modification or amendment.

If a Borrower fails to repay the relevant Loan on the Loan Maturity Date, then the Special Servicer may grant an extension of the Loan Maturity Date provided the following conditions are satisfied:

(a) the Special Servicer determines, acting in accordance with the Servicing Standard, that the likely recovery on the Loan, on a net present value basis, will be higher by allowing an extension of the Loan rather than enforcing the Loan and the Loan Security;

(b) the granting of such consent, modification, waiver or amendment will not result in an Adverse Rating Event; and

(c) the Loan Maturity Date is not extended beyond the Notes Maturity Date.

Provided that the Servicer (or the Special Servicer, as the case may be) determines that it would not be inconsistent with the Servicing Standard to do so, it may require that a Borrower pay a reasonable and customary fee which may be charged in addition to any out of pocket costs and expenses in consideration for the performance of Services by or on behalf of the Issuer or the Agent in connection with any waivers or amendments made to any relevant Finance Documents or any consents issued thereunder to the Servicer (or the Special Servicer, as the case may be) prior to agreeing to any waiver or modification of the Finance Documents or issuing any consent thereunder.

Ability to purchase the Loans and the Loan Security

If, at any time, the principal amount outstanding of all the Notes is less than 10% of the Principal Amount Outstanding as at the Closing Date then, the Servicer will have the option (but not the obligation) to purchase the Loans on any Notes Interest Payment Date thereafter, provided that not earlier than 60 and not later than 40 days prior to such Notes Interest Payment Date the Servicer has served on the Issuer, the Note Trustee and the Special Servicer a written notice notifying them of its intention to so purchase the Loans and provided further that the purchase price to be paid will be sufficient to pay all amounts due in respect of the Notes after payment has been made to all creditors who rank in priority to Noteholders. If the Servicer serves on the Issuer and the Note Trustee the written notice referred to above, the Issuer will sell and the Servicer will purchase (at the Servicer's expense) all the right, title, interest and benefit of the Issuer in, to and under the Loans.

Calculation of amounts and payments

Following the end of each Notes Interest Period, the Servicer shall use reasonable endeavours to determine the balance of the Issuer Accounts and submit a written confirmation of the same to the Issuer and, following receipt of a copy of an Enforcement Notice or otherwise on request, to the Note Trustee, setting out (i) the amount standing to the credit of each of the Issuer Accounts as at the end of the immediately preceding Notes Interest Period; and (ii) the amount of interest credited or to be credited in respect of each of the Issuer Accounts on or prior to the next Notes Interest Payment Date. In addition, the Servicer will calculate the Principal Amount

Outstanding for each Class of Notes for the Notes Interest Period commencing on such forthcoming Notes Interest Payment Date, request the making of any Income Deficiency Loans (including Income Deficiency Loans to fund a Hedging Loan or a Property Protection Advance (if appropriate)) on behalf of the Issuer.

On each Notes Interest Payment Date, the Servicer will withdraw funds from the Issuer Collection Account for the purpose of making the payments under the Pre-Enforcement Priority of Payments. In addition, the Servicer will, from time to time, pay on behalf of the Issuer all Priority Amounts and Priority Amounts in relation to the Borrower Swap Counterparty required to be paid by the Issuer, as determined by the Servicer.

Subject to receipt of funds from the Borrower, the Servicer will make all payments required to carry out a redemption of Notes pursuant to Condition 6.

If the Servicer, acting on the basis of information provided to it determines, on any Calculation Date, that the amount of Available Issuer Income, less any Priority Amounts paid since the immediately preceding Notes Interest Payment Date or due to be paid by the Issuer on or prior to the next Notes Interest Payment Date, will be insufficient to make payments set out under paragraphs (a) to (j) of the Pre-Enforcement Interest Priority of Payments, the Servicer will make an Income Deficiency Loan in accordance with provisions of the Liquidity Facility.

Periodic reporting

Pursuant to the Servicing Agreement, the Servicer will deliver to the Issuer, the Note Trustee, the Special Servicer, the Paying Agents and the Rating Agencies quarterly reports in respect of the Loans including:

(a) a report (the **Payments Report**) setting forth, among other things, quarterly payments received by the Issuer in respect of the Loans and the aggregate amounts to be paid to each Class of Noteholders on the next Notes Interest Payment Date; and

(b) a report (the **Investor Report**) containing (i) the information provided by the Obligors pursuant to the information covenants contained in the Loan Agreements, (ii) general information in relation to the Loans (including cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data) and (iii) information regarding the Properties based on the information provided by the Managing Agent.

Insurance

The Servicer will establish, administer and maintain procedures to monitor compliance by the Obligors with the requirements of the Loan Agreements relating to insurance, and will use reasonable efforts to procure that all insurance policies are maintained in the form, in the amounts and with insurers as required under the Loan Agreements. The Servicer will not knowingly take any action or omit to take any action which would result in the avoidance, termination or non-renewal of any insurance policy or which would reduce the amount payable on any claim thereunder.

Principal Deficiency Ledgers

Principal Deficiency Ledgers means the ledgers maintained by the Cash Manager to record the amount of principal in respect of Loans related to each Class of Notes written-off by the Servicer or the Special Servicer following the taking of relevant enforcement procedures.

Property Protection Advances

In the event an Obligor or the Managing Agent fails to pay certain amounts to third parties, such as insurers and persons providing services in connection with the operation of the Properties (and there are insufficient funds available in any Borrower Account to pay it) where the non-provision of such services (including insurances) could adversely affect the Properties in a material manner, and (a) each Loan Agreement entitles the lender to pay or discharge the obligation to the third party, (b) each Loan Agreement requires the Obligors to reimburse the lender for any payments so made, (c) the Servicer or Special Servicer is satisfied that such amounts will, in addition to all other amounts due, be recoverable from the Borrower or the other Obligors, and (d) the Servicer or, as the case may be, the Special Servicer, is otherwise satisfied that it would be in accordance with the Servicing Standard to do so, then the Servicer or Special Servicer may make (or may request the Issuer to make) the relevant payment (each a **Property Protection Advance**). The Servicer or the Special Servicer (as the case may be) may make a Property Protection Advance by requesting the Issuer to submit (or by submitting on behalf of the Issuer) a Liquidity Request in accordance with the terms of the Liquidity Facility Agreement for the purposes of funding such payment.

If the Servicer or the Special Servicer (as the case may be) decides in its sole discretion to do so, it may (but shall have no obligation to) make a Property Protection Advance from its own funds. If the Servicer or the Special Servicer makes a Property Protection Advance from its own funds, it will be repaid, in priority to the Notes and subject to the relevant Priority of Payments together with interest thereon on the Notes Interest Payment Date immediately following the date on which such Property Protection Advance was made. Alternatively, the Servicer or the Special Servicer (as the case may be) may instruct the Issuer to submit (or may submit on behalf of the Issuer) a Liquidity Request in accordance with the terms of the Liquidity Facility Agreement for the purposes of funding such reimbursement.

Hedging Loans

In the event that a Borrower fails to pay all or any part of certain amounts which are due and payable pursuant to the relevant Borrower Swap Agreement and such failure constitutes a Loan Event of Default, the Servicer may, in its sole discretion, request the Issuer to make a Hedging Loan. The Servicer may make a Hedging Loan by requesting the Issuer to submit (or by submitting on behalf of the Issuer) a Liquidity Request in accordance with the terms of the Liquidity Facility Agreement for the purposes of funding such payment.

If the Servicer decides in its sole discretion to do so, it may (but shall have no obligation to) make a Hedging Loan from its own funds. If the Servicer makes a Hedging Loan from its own funds, it will be repaid, in priority to the Notes and subject to the relevant Priority of Payments together with interest thereon on the Notes Interest Payment Date immediately following the date on which such Hedging Loan was made. Alternatively, the Servicer may instruct the Issuer to submit (or may submit on behalf of the Issuer) a Liquidity Request in accordance with the terms of the Liquidity Facility Agreement for the purposes of funding such reimbursement.

Fees

The Servicer will be entitled to receive a fee for servicing the Loans. On each Notes Interest Payment Date the Issuer will pay to the Servicer a fee (the **Servicing Fee**) equal to 0.03 per cent. *per annum* (plus VAT, if applicable) of the outstanding principal balance of the Loans as at the first day of the Notes Interest Period ending on that Notes Interest Payment Date. Following any termination of the Servicer's appointment as Servicer, the Servicing Fee will be paid to any substitute servicer appointed; provided that the Servicing Fee that may be payable to any substitute servicer may not exceed the rate then commonly charged by providers of loan servicing services in relation to commercial properties in Europe. The Servicing Fee will be calculated on the

basis of the actual number of days to elapse from and including the most recently preceding Notes Interest Payment Date and be payable by the Issuer on each Notes Interest Payment Date in accordance with the relevant Priority of Payments along with all other compensation payable by the Issuer to the Servicer.

On each Notes Interest Payment Date, for so long as a Loans is Specially Serviced, the Issuer will in addition to the Servicing Fee payable to the Servicer, pay to the Special Servicer a fee (the **Special Servicing Fee**) equal to 0.25% *per annum* (plus VAT, if applicable) of the aggregate outstanding principal balance of the relevant Loan as at the first day of the Notes Interest Period ending on such Notes Interest Payment Date. The Special Servicing Fee will accrue on a daily basis from the date on which a Loan becomes Specially Serviced and will be payable on each Notes Interest Payment Date (a) starting on the Notes Interest Payment Date following the date on which a Loan becomes Specially Serviced, and (b) ending on the Notes Interest Payment Date following the date on which the relevant Loan is Corrected. The Special Servicing Fee will cease to accrue on the date on which the relevant Loan is Corrected.

The Servicing Fee and the Special Servicing Fee will cease to accrue in relation to the relevant Loan if any of the following events (each, a **Liquidation Event**) occurs:

(a) the relevant Loan is repaid in full;

(b) a Final Recovery Determination is made with respect to the relevant Loan; or

(c) the relevant Loan is repurchased by the Originator in accordance with and pursuant to the terms of the Loan Transfer Agreements.

On each Notes Interest Payment Date the Issuer will pay to the Servicer or, as the case may be, the Special Servicer, all out-of-pocket costs and expenses incurred by the Servicer or the Special Servicer (including any Property Protection Advances) made or incurred on behalf of the Issuer under the Finance Documents and if applicable, pay to the Special Servicer:

(a) a liquidation fee (the **Liquidation Fee**) equal to 1.00% (plus VAT, if applicable) of the proceeds of sale (net of all fees, costs, taxes and expenses of sale) arising from the sale of the relevant Loan or of any part of the Properties following the enforcement of the (or deed in lieu thereof) Loan and/or the Loan Security (such proceeds, **Liquidation Proceeds**); or

(b) a workout fee (the **Workout Fee**) in an amount equal to 1.00% (plus VAT, if applicable) of each payment of principal and interest collected on behalf of the Issuer under the Finance Documents, for so long as the Loan, having been Specially Serviced, remains Corrected.

If the Issuer is required to make any payment to the Servicer or the Special Servicer in respect of any out-of-pocket costs and expenses incurred by the Servicer or the Special Servicer in connection with its duties under the Servicing Agreement, the Issuer will make such payment together with interest. The Issuer will be obliged to reimburse the Servicer and the Special Servicer in respect of any value added tax incurred by the Servicer or the Special Servicer on any out-of-pocket costs and expenses incurred by them in the course of the performance of their respective duties under the Servicing Agreement but only to the extent that such value added tax is not recovered by the Servicer or the Special Servicer, as the case may be, from the Borrower or from the relevant fiscal authorities. Payments of costs and out-of-pocket expenses due to the Servicer and/or the Special Servicer in relation to the Loans shall be due and payable by the Issuer. Each payment by the Issuer to the Servicer and the Special Servicer under the Servicing Agreement will be made subject to and in accordance with the provisions of the relevant Priority of Payments.

In addition, an annual fee of EUR 1,500 will be paid by the Issuer to the Special Servicer.

Removal or resignation of the Servicer or the Special Servicer

On or after the occurrence of a Note Event of Default the Note Trustee shall, if so directed in writing by an Extraordinary Resolution of the Controlling Class, terminate the appointment under the Servicing Agreement of the Servicer or the Special Servicer (as the case may be) in accordance with the procedures in the Servicing Agreement. No termination of the appointment of the Servicer or the Special Servicer will take effect unless:

(a) a successor Servicer or, as the case may be, a successor Special Servicer is appointed by or on behalf of the Issuer, such appointment to be effective no later than the date of termination of the outgoing Servicer or Special Servicer and the successor Servicer or successor Special Servicer, as applicable, agrees in writing to be bound by the terms of the Servicing Agreement and the other Transaction Documents (and if no substitute Servicer or Special Servicer, as applicable, is appointed within 60 days of the termination of appointment of the Servicer or Special Servicer, as applicable, the Special Servicer may petition a court of competent jurisdiction to appoint such successor);

(b) the Servicer or, as the case may be, the Special Servicer will have notified each of the Rating Agencies in writing of the identity of the successor Servicer or successor Special Servicer and the Rating Agencies have confirmed to the Note Trustee or Issuer that the appointment of the successor Servicer or Special Servicer will not result in an Adverse Rating Event, unless each Class of Noteholders (other than the Class X Noteholder) by way of an Extraordinary Resolution has approved the successor Servicer or successor Special Servicer, as applicable; and

(c) the successor Servicer or, as the case may be, Special Servicer enters into an agreement substantially on the terms of the Servicing Agreement and agrees to be bound by the terms of the Issuer Security Agreements and such successor Servicer or Special Servicer has experience in servicing mortgages of commercial property on similar terms to that required under this Agreement and is approved by the Issuer and the Note Trustee.

Subject to the requirements outlined above in relation to termination of the appointment of the Servicer or Special Servicer, the Servicer or the Special Servicer may terminate its appointment under this Agreement upon the expiry of not less than three months' written notice of termination given to each of the Issuer, the Agent, the Servicer (in the case of notice by the Special Servicer), the Special Servicer (in the case of notice by the Servicer) and the Note Trustee. The appointment of the Special Servicer may also be terminated upon the Operating Adviser notifying the Issuer that it requires a replacement Special Servicer to be appointed.

Controlling Class means, at any time:

(a) the holders of the most junior Class of Notes (other than the Class X Note) then having a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date; or

(b) if no Class of Notes then has a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date, the holders of the then most junior Class of Notes (other than the Class X Note),

excluding, in each case, from the calculation of the Principal Amount Outstanding at that time any Notes which are held by, or for the benefit of or on behalf of a Borrower or NIBC and/or or any one or more of their Affiliates (the **Excluded Class**).

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

Appointment of the Operating Adviser

A Controlling Class may appoint an operating adviser (the **Operating Adviser**) to represent their interests in relation to the relevant Loan for as long as they are Specially Serviced. If, at any time after the Issuer (or the Servicer on behalf of the Issuer) has notified the Special Servicer of the appointment of an Operating Adviser, and the relevant Loan is Specially Serviced, the Special Servicer must seek the advice of the Operating Adviser in relation to (a) any enforcement of the relevant Loan or the Loan Security, (b) modifications or amendments to the Finance Documents which affects the amount or the timing of payments under the Finance Documents or any other material term of the Finance Documents, (c) any release of the Loan Security (regardless of whether such released Loan Security is substituted with alternative security), other than as may be required under the terms of the Finance Documents, (d) the release or novation of any of the Obligors' obligations under the Finance Documents, and (e) any action taken in order to ensure compliance with environmental laws at any of the Properties.

If the Issuer (or the Servicer on behalf of the Issuer) has notified the Special Servicer of the appointment of an Operating Adviser, and if the Loans are Specially Serviced, the Special Servicer must notify the Operating Adviser in writing in advance of any action it intends to take with regard to the matters set out above and must take due account of the advice and representations of the Operating Adviser, although if the Special Servicer determines that immediate action is necessary to protect the interest of the Noteholders, the Special Servicer may take whatever action it reasonably considers necessary without waiting for the Operating Adviser's response, provided that the Special Servicer acts in accordance with the Servicing Standard. If the Special Servicer does take such action and the Operating Adviser objects in writing to the actions taken within five (5) Business Days after being notified of the action and being provided with all reasonably requested information, the Special Servicer must take due account of the advice and representations made by the Operating Adviser regarding any further steps that it considers should be taken in the interests of the Controlling Class. The Operating Adviser will be considered not to have objected to any action taken by the Special Servicer without the prior consultation with the Operating Adviser if the Operating Adviser does not object within five (5) Business Days of receiving such notice.

The Operating Adviser will have no liability to the Issuer, the Agent, or the Note Trustee for any action taken, or for refraining from the taking of any action, in good faith pursuant to this Agreement, or for errors in judgement.

Delegation by the Servicer and Special Servicer

The Servicer and the Special Servicer may enter into sub-servicing agreements to provide for the performance by third parties of any or all of its respective obligations under the Servicing Agreement on certain conditions, including (a) that the Servicer or the Special Servicer, as the case may be, will use reasonable skill and care in the selection of any sub-servicer, (b) the Servicer and the Special Servicer will procure that no sub-servicer will be entitled to sub-contract or delegate the performance of all or any of the Services sub-contracted or delegated to it by the Servicer or, as the case may be, the Special Servicer without the prior written consent of the Servicer or, as the case may be, the Special Servicer, (c) any sub-servicing arrangements do not lead to an Adverse Rating

Event, (d) the appointment of such sub-servicer will not cause the Issuer to become subject to any tax which it would not otherwise have become subject to, either directly or indirectly, or would not cause the imposition of any withholding tax; and (e) subject to Clause 14.2 of the Servicing Agreement, the terms of the proposed arrangements do not impose, seek to impose or have the effect of imposing on the Issuer and/or the Note Trustee any liability for any costs, charges or expenses payable to or incurred by any sub-servicer or sub-special servicer or arising from the entry into, the continuance or the termination of any such arrangement except for any reasonable and properly incurred out of pocket costs or expenses of any sub-servicer or sub-special servicer which the Servicer or the Special Servicer would have incurred had it undertaken the relevant duties itself.

Notwithstanding any sub-contract or delegation of the performance of any of their obligations under the Servicing Agreement, neither the Servicer nor the Special Servicer will thereby be released or discharged from any liability hereunder and each will remain responsible for the performance of its duties and obligations under the Servicing Agreement and the performance or non-performance or the manner of performance of any sub-servicer of any of the Services will not affect the Servicer's or the Special Servicer's duties or obligations under this Agreement.

Governing law

The Servicing Agreement will be governed by English law.

THE ISSUER

The Issuer, MESDAG (Charlie) B.V., was incorporated in the Netherlands on 30 October 2006 (registered number 34259061), as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands. The registered office of the Issuer is at Olympic Plaza, Fred. Roeskestraat 123, 1076 EE Amsterdam, The Netherlands. The Issuer is organised as a special purpose vehicle and its activities are limited accordingly. The Issuer has no subsidiaries.

Principal Activities

The principal objects of the Issuer are set out in its articles of association and are, *inter alia*, to lend money, to issue bonds and to grant security over its assets for the performance of its obligations. The Issuer was established for the limited purposes of the issue of the Notes, the acquisition of the Loans and certain related transactions described elsewhere in this Offering Circular.

The Issuer has not commenced operations and has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a private limited company under the laws of the Netherlands, the authorisation of the issue of the Notes and of the other documents and matters referred to or contemplated in this Offering Circular and matters which are incidental or ancillary to the foregoing. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared as at the date of this Offering Circular.

The activities of the Issuer will be restricted by the Conditions and will be limited to the issue of the Notes, the acquisition of the Loans, the exercise of related rights and powers and the other activities described in this Offering Circular. See further Condition 4.1.

Director of the Issuer

The sole managing director of the Issuer is ATC Management B.V. and its business address is Olympic Plaza, Fred. Roeskestraat 123, 1076 EE Amsterdam, The Netherlands.

The directors of ATC Management B.V. are J.H. Scholts and A.G.M. Nagelmaker.

The Director of the Issuer will, under the terms of a Issuer Management Agreement to be entered into on or about the Closing Date between the Issuer, the Issuer Parent, the Note Trustee and the Director of the Issuer, provide certain corporate services to the Issuer.

The Issuer Management Agreement may be terminated by either the Issuer or the Director of the Issuer upon three months' written notice. In addition, the Note Trustee shall also have the right to terminate the Issuer Management Agreement at any time by giving notice in writing if certain conditions are met which include, *inter alia*, the Director of the Issuer committing a material breach of any of the terms or conditions of the Issuer Management Agreement and fails to remedy the same within 30 days (or such other period as shall be agreed between the parties) of being required so to do or if the Director of the Issuer is declared bankrupt or a suspension of payments is granted. Such termination shall not take effect until a replacement director of the Issuer has been appointed.

Capitalisation and Indebtedness

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

Share Capital	
Issued:	€18,000
Authorised:	€90,000
Loan Capital	
Class A Commercial Mortgage Backed Floating Rate Notes 2007 due 2019	€355,000,000
Class X Commercial Mortgage Backed Floating Rate Notes 2007 due 2019	€50,000
Class B Commercial Mortgage Backed Floating Rate Notes 2007 due 2019	€44,700,000
Class C Commercial Mortgage Backed Floating Rate Notes 2007 due 2019	€44,700,000
Class D Commercial Mortgage Backed Floating Rate Notes 2007 due 2019	€39,400,000
Class E Commercial Mortgage Backed Floating Rate Notes 2007 due 2019	€9,800,000
Total capitalisation and indebtedness	€493,758,000

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

Since the date of incorporation of the Issuer, the Issuer has not traded, no profits or losses have been made or incurred and no dividends have been paid.

All of the shares in the Issuer are held by the Issuer Parent a foundation (*stichting*) which was established in the Netherlands on 15 November, 2005 (registered number 34236561). The registered office of the Issuer Parent is at Olympic Plaza, Fred. Roeskestraat 123, 1076 EE Amsterdam, The Netherlands. Its contact telephone number is +31 (0)20 577 1177.

Auditor's Confirmation

The following is the text of a report, extracted without material adjustment, received by the Issuer from PricewaterhouseCoopers Accountants N.V. (**PwC**) who have been appointed as auditors and reporting accountants to the Issuer. PwC is an accountancy practice and the registered auditor of the Issuer. The accountants of PwC are members of the Royal Netherlands Institute for Registered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*). No statutory annual audited accounts have been prepared since the Issuer's incorporation. The Issuer's accounting reference date will be 31st December, and the first statutory annual audited accounts are expected to be drawn up to 31st December, 2007.

"To the Management Board of MESDAG (Charlie) B.V.

18 April 2007

Dear Sirs,

Following your request, we advise you as follows:

1. As per the deed of incorporation, MESDAG (Charlie) B.V. (the '**Issuer**') was incorporated on 30 October 2006 under number 34259061 with an issued share capital of €18,000.

2. Based on representations from the Issuer and our assessment of the internal and external documentation made available to us by the Issuer, we confirm that the Issuer has not yet prepared any financial statements.

3. Based on representations from the Issuer and our assessment of the internal and external documentation made available to us by the Issuer, we confirm that:

   (a) since its incorporation, the Issuer has not traded;

   (b) the Issuer has not declared or paid any dividends nor made any distributions;

   (c) the Issuer has not been engaged in any activity, other than the activities related to its establishment and the securitisation transaction included in the Offering Circular entitled:

   €355,000,000 Class A Commercial Mortgage Backed Floating Rate Notes 2007 due 2019, issue price 100 per cent.

   €50,000 Class X Commercial Mortgage Backed Floating Rate Notes 2007 due 2019, issue price 100 per cent.

   €44,700,000 Class B Commercial Mortgage Backed Floating Rate Notes 2007 due 2019, issue price 100 per cent.

   €44,700,000 Class C Commercial Mortgage Backed Floating Rate Notes 2007 due 2019, issue price 100 per cent.

   €39,400,000 Class D Commercial Mortgage Backed Floating Rate Notes 2007 due 2019, issue price 100 per cent.

   €9,800,000 Class E Commercial Mortgage Backed Floating Rate Notes 2007 due 2019, issue price 100 per cent.

4. no income or expenses have been incurred by the Issuer, other than related to these activities and disclosed in the aforementioned Offering Circular.

Yours faithfully,

PricewaterhouseCoopers Accountants N.V.

J.M. de Jonge RA

THE BERLIN BORROWER

The **Berlin Borrower** , Muldershof XVIII B.V., was incorporated in the Netherlands on 7 April 1992 (registered number 06067005), as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands. The registered office of the Berlin Borrower is at Reggesingel 10, 7461 BA Rijssen, The Netherlands. The Berlin Borrower's telephone number is +31 548 535 566. The Berlin Borrower is organised as a special purpose vehicle and its activities are limited accordingly. The Berlin Borrower has no subsidiaries.

Principal Activities

The principal objects of the Berlin Borrower are set out in its articles of association and are, *inter alia*, to:

(a) invest in properties, stocks and shares and other assets values;

(b) the development of moveable and immoveable properties;

(c) to perform all kinds of activities in financial and commercial fields;

(d) to incorporate, to acquire to participate in and to conduct the management of other companies, as well as to finance or to have financed other companies.

The Berlin Borrower has engaged in the following activities since the date of its incorporation:

(a) From 1992-1994 no activities were undertaken by the Berlin Borrower;

(b) On 16 August 1995, the Berlin Borrower incorporated and was the 100 per cent. shareholder of two companies, namely Leeuwenhof 295 B.V. and Ontwikkelingsmaatschappij Hoogerheide B.V. The objects of these two new companies were the development of properties.

(c) On 12 April 2000, the Berlin Borrower sold all shares in Leeuwenhof 295 B.V. and Ontwikkelingsmaatschappij Hoogerheide B.V. to Stam en de Koning Vastgoed B.V.

(d) From 2003-2004 no activities were undertaken by the Berlin Borrower.

(e) On 30 December 2005, the Berlin Borrower signed an agreement for the purchase of the Berlin Properties.

(f) In 2006, the Berlin Borrower has carried on the activities related to letting and operating the Berlin Properties.

Up to 30 December 2005, the Berlin Borrower was part of a fiscal entity with Victor Rijssen B.V. for corporation tax purposes.

As per 31 December 2005 no other liabilities exist other than arising from the purchase of the Berlin Properties.

To the knowledge of the Berlin Borrower, no guarantees have been provided since its incorporation.

Since its establishment the Berlin Borrower has never employed any personnel.

Director of the Berlin Borrower

The sole managing director of the Berlin Borrower is Reggeborgh Vastgoed Beleggingen B.V. and its business address is Reggesingel 10, 7461 BA Rijssen, The Netherlands.

The directors of Reggeborgh Vastgoed Beleggingen B.V. are Reggeborgh B.V., Mark Robert Brouwens, Cornelis van Zadelhoff, Jan Andreas Maria Hendrikx and Jan Hessel Marie Lindenbergh.

The director of Reggeborgh B.V. is Dirk Wessels.

94 shares in the Berlin Borrower are held by Dekor Vastgoed B.V. and 6 shares are held by Kondor Wessels Duitsland B.V. (the **Berlin Shareholders**). Kondor Wessels Duitsland B.V. was incorporated in the Netherlands on 30 December 1988 (registered number 06059477), as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands. The registered office of Dekor Vastgoed B.V. is at Reggesingel 10, 7461BA Rijssen, The Netherlands. Dekor Vastgoed B.V. was incorporated in the Netherlands on 30 November 2006 (registered number 08153178), as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands.

The rights of the Berlin Shareholders in the Berlin Borrower are contained in the articles of association of the Berlin Borrower and the Berlin Borrower will be managed by its directors in accordance with those articles and in accordance with the laws of The Netherlands.

Accountant's Report

The text of a report, extracted without material adjustment, received by the Berlin Borrower from KPMG Accountants N.V. (**KPMG**) who have been appointed as auditors and reporting accountants to the Berlin Borrower. KPMG is an accountancy practice and the registered auditor of the Berlin Borrower. The accountants of Berlin Borrower are members of the Royal Netherlands Institute for Registered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*) is included at Appendix A. The address of KPMG is Hengelosestraat 581, 7521 AG Enschede, The Netherlands.

The Berlin Borrower’s accounting reference date is 31/12/2005, and the last statutory annual audited accounts were drawn up on 16/02/2007.

OTHER TRANSACTION PARTIES

Liquidity Facility Provider

Danske Bank A/S, acting through its London Branch located at 75 King William Street, London, EC4N 7DT, will act as the Liquidity Facility Provider under the Liquidity Facility Agreement. The long term, unsecured, unsubordinated debt obligations of Danske Bank A/S are rated "AA-" by S&P, "Aa1" by Moody's and "AA-" by Fitch and the short-term, unsecured, unsubordinated debt obligations of Danske Bank A/S are rated "A-1+" by S&P, "P-1" by Moody's and "F1+" by Fitch.

Borrower Swap Counterparties

NIBC Bank N.V., acting through its corporate office located at Carnegieplein 4, 2517 KJ, The Hague, the Netherlands, will act as Borrower Swap Counterparty under the Borrower Swap Agreements. The long term, unsecured, unsubordinated debt obligations of NIBC Bank N.V. are rated "A" by Fitch, "A3" by Moody's and "A-" by S&P and the short term, unsecured, unsubordinated debt obligations of NIBC Bank N.V. are rated "F1" by Fitch, "P-2" by Moody's and "A-2" by S&P.

ABN AMRO Bank N.V., acting through its London Branch, will act as the Borrower Swap Counterparty under a Borrower Swap Agreement in relation to the Berlin Loan. The long term, unsecured, unsubordinated debt obligations of ABN AMRO Bank N.V. are rated "AA-" by Fitch, "Aa1" by Moody's and "AA-" by S&P and the short term, unsecured, unsubordinated debt obligations of ABN AMRO Bank N.V. are rated "F1+" by Fitch, "P-1" by Moody's and "A-1+" by S&P.

Back-Up Borrower Swap Counterparty

UBS Limited, as guaranteed by UBS AG, will act as the Back-Up Borrower Swap Counterparty under the Borrower Swap Agreements provided by NIBC Bank N.V. UBS AG will act as Credit Support Provider in respect of UBS Limited under the Borrower Swap Agreements. The long term, unsecured, unsubordinated debt obligations of UBS AG are rated "AA+" by S&P, "Aa2" by Moody's and "AA+" by Fitch and the short term, unsecured, unsubordinated debt obligations of UBS AG are rated " A-1+" by S&P, " P-1" by Moody's and "F1+" by Fitch.

Borrower Swap Guarantor

UBS AG, will act as the Borrower Swap Guarantor under the Borrower Swap Agreements provided by NIBC Bank N.V. The long term, unsecured, unsubordinated debt obligations of UBS AG are rated "AA+" by S&P, "Aa2" by Moody's and "AA+" by Fitch and the short term, unsecured, unsubordinated debt obligations of UBS AG are rated " A-1+" by S&P, " P-1" by Moody's and "F1+" by Fitch.

Issuer Account Bank

ING Bank N.V. will act as the Issuer Account Bank pursuant to the Issuer Account Bank Agreement in relation to the Issuer Accounts through its office located at Bijlmerplein 880, Amsterdam, The Netherlands. The short term, unsecured, unguaranteed and unsubordinated debt obligations of ING Bank N.V. are rated "F1+" by Fitch, "P-1" by Moody's and "A-1+" by S&P. The long term, unsecured, unguaranteed and unsubordinated debt obligations of ING Bank N.V. are rated "AA" by Fitch, "Aaa" by Moody's and "AA" by S&P.

Issuer Swap Counterparty

NIBC Bank N.V., acting through its corporate office located at Carnegieplein 4, 2517 KJ, The Hague, The Netherlands, will act as the Issuer Swap Counterparty under the Issuer Swap Agreement. The long term, unsecured, unsubordinated debt obligations of NIBC Bank N.V. are rated "A" by Fitch, "A3" by Moody's and "A-" by S&P and the short term, unsecured, unsubordinated debt obligations of NIBC Bank N.V. are rated "F1" by Fitch, "P-2" by Moody's and "A-2" by S&P.

Back-Up Issuer Swap Counterparty

UBS Limited, as guaranteed by UBS AG, will act as the Back-Up Issuer Fixed-Floating Swap Counterparty under the Issuer Fixed-Floating Swap Agreements provided by NIBC Bank N.V. UBS AG will act as Credit Support Provider in respect of UBS Limited under the Issuer Fixed-Floating Swap Agreements. The long term, unsecured, unsubordinated debt obligations of UBS AG are rated "AA+" by S&P, "Aa2" by Moody's and "AA+" by Fitch and the short term, unsecured, unsubordinated debt obligations of UBS AG are rated " A-1+" by S&P, " P-1" by Moody's and "F1+" by Fitch.

Issuer Swap Guarantor

UBS AG, will act as the Issuer Fixed-Floating Swap Guarantor under the Issuer Fixed-Floating Swap Agreements provided by NIBC Bank N.V. The long term, unsecured, unsubordinated debt obligations of UBS AG are rated "AA+" by S&P, "Aa2" by Moody's and "AA+" by Fitch and the short term, unsecured, unsubordinated debt obligations of UBS AG are rated " A-1+" by S&P, " P-1" by Moody's and "F1+" by Fitch.

USE OF PROCEEDS

The net and gross proceeds from the issue of the Notes (other than the Class X Note) will be € 493,600,000, and this sum will be applied by the Issuer for the purpose of acquiring the Loans from the Originator on the Closing Date other than an amount of € 31,600 which will be deposited into an Issuer Account and will be used to amortise the Notes (other than the Class X Note) on the next Notes Interest Payment Date. The net and gross proceeds of the issue of the Class X Note will be €50,000 and this sum will be deposited into the Class X Principal Account to cash collateralise the Class X Note. Fees, commissions and expenses incurred in connection with the issue of the Notes will be met by the Originator and shall not be paid out of the proceeds of the Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The issue of the €355,000,000 Class A Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class A Notes**), the €50,000 Class X Commercial Mortgage Backed Floating Rate Note 2007 due 2019 (the **Class X Note**), the €44,700,000 Class B Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class B Notes**), the €44,700,000 Class C Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class C Notes**), the €39,400,000 Class D Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class D Notes**) and the €9,800,000 Class E Commercial Mortgage Backed Floating Rate Notes 2007 due 2019 (the **Class E Notes** and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the **Notes**) by MESDAG (Charlie) B.V. (the **Issuer**) was authorised by a resolution of the sole managing director of the Issuer passed on 12 April 2007.

The Notes are constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 19 April 2007 (the **Closing Date**) made between the Issuer and Stichting Note Trustee MESDAG (Charlie) (the **Note Trustee**, which expression includes its successors as trustee or any further or other trustee(s) under the Trust Deed as trustee(s) for the holders of the Notes (the **Noteholders**)).

The respective holders for the time being of the Class A Notes, the Class X Note, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (each a **Noteholder** and, collectively, the **Noteholders**) are referred to in these Conditions as the **Class A Noteholders**, the **Class X Noteholder**, the **Class B Noteholders**, the **Class C Noteholders**, the **Class D Noteholders** and the **Class E Noteholders**, respectively.

References herein to the Notes shall include reference to any Global Note and any Definitive Notes issued in exchange for a Global Note

The Noteholders are subject to and have the benefit of an agency agreement (as amended and/or supplemented from time to time, the **Agency Agreement**) dated the Closing Date between the Issuer, the Note Trustee, NIBC Bank N.V. as principal paying agent (in such capacity, the **Principal Paying Agent,** which expression includes any successor or alternative principal paying agent appointed from time to time in respect of the Notes) and as calculation agent (in such capacity, the **Calculation Agent,** which expression includes any successor calculation agent appointed from time to time in connection with the Notes) and Custom House Administration & Corporate Services Limited as Irish paying agent (the **Irish Paying Agent**), which expression includes any successor or alternative Irish paying agent appointed from time to time in respect of the Notes and together with the Principal Paying Agent, the **Paying Agents**) pursuant to which provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Agency Agreement and the Issuer Security Agreements applicable to them and all the provisions of the other Transaction Documents (including the Issuer Account Bank Agreement, the Servicing Agreement, the Liquidity Facility Agreement, the Loan Agreements, the Corporate Services Agreement, the Borrower Security Agreements and the Master Definitions Schedule (each as defined in the master definitions schedule signed for identification by, *inter alios*, the Issuer and the Note Trustee on or about the Closing Date (the **Master Definitions Schedule**)) applicable to them.

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

As used in these Conditions:

(a) a reference to a **Class** of Notes, or the respective holders thereof, as applicable, shall be a reference to the Class A Notes, the Class X Note, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (and, unless the context otherwise requires, shall include in each case any Coupons and Receipts appertaining thereto) or the respective Noteholders and Classes, in a similar context, shall be construed accordingly; and

(b) **Most Senior Class of Notes** means:

(i) the Class A Notes and the Class X Note *pari passu*; or

(ii) if no Class A Notes or Class X Note are then outstanding (as defined in the Trust Deed), the Class B Notes (if at that time any Class B Notes are then outstanding); or

(iii) if no Class A Notes or Class X Note or Class B Notes are then outstanding, the Class C Notes (if at that time any Class C Notes are then outstanding); or

(iv) if no Class A Notes or Class X Note, Class B Notes or Class C Notes are then outstanding, the Class D Notes (if at that time any Class D Notes are outstanding); or

(v) if no Class A Notes, Class X Note, Class B Notes, Class C Notes or Class D Notes are then outstanding, the Class E Notes (if at any time any Class E Notes are outstanding).

Copies of the Transaction Documents to which the Note Trustee is a party are available to Noteholders for inspection at the specified office of each of the Paying Agents and the Issuer.

1. GLOBAL NOTES

1.1 Temporary Global Notes

(a) The Notes of each Class will be issued in NGN form and will initially be represented by a temporary global note of the relevant Class (each, a **Temporary Global Note**).

(b) The Temporary Global Notes will be deposited on behalf of the subscribers of the Notes with a Common Safekeeper for Euroclear Bank S.A/N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) on the Closing Date. Société Générale Bank & Trust will act as common service provider (the **Common Service Provider**). Upon deposit of the Temporary Global Notes, Euroclear or Clearstream, Luxembourg will credit the account of each Accountholder with the principal amount of Notes for which it has subscribed and paid.

1.2 Permanent Global Notes

(a) Interests in each Temporary Global Note will, in accordance with the terms of the Trust Deed and such Temporary Global Notes, be exchangeable on and after 40 days after the Closing Date (the **Exchange Date**), provided certification of non-U.S. beneficial ownership (**Certification**) by the relevant Noteholders has been received, for interests in a permanent global note of the relevant Class (each, a **Permanent Global Note**) which will also be deposited with the Common Safekeeper unless the interests in the relevant Permanent Global Note have already been exchanged for Notes in definitive form in which event the interests in such Temporary Global Note may only be exchanged (subject to Certification) for Notes of the relevant Class in definitive form.

(b) The expression **Global Note** shall be read and construed to mean a Temporary Global Note or a Permanent Global Note as the context may require. On the exchange of each Temporary Global Note for the relevant Permanent Global Note such Permanent Global Note will remain deposited with the Common Safekeeper.

1.3 Form and Title

(a) Each Global Note shall be issued in bearer form without Receipts, Coupons or Talons.

(b) Title to the Global Notes will pass by delivery (*levering*). Notes represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

(c) For so long as the Notes of a Class are represented by a Global Note in respect of that Class, the Issuer, the Note Trustee and all other parties may (to the fullest extent permitted by applicable laws) deem and treat each person who is for the time being shown in the relevant records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (an **Accountholder**) as the holder of such principal amount of such Notes, in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes or interest in such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or known error (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders), other than for the purposes of payment of principal and interest on such Global Notes, the right to which shall be vested, as against the Issuer, the Paying Agents and the Note Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to the terms of the Trust Deed. The expressions **Noteholders** and **Holder of Notes** and related expressions shall be construed accordingly.

(d) In determining whether a particular person is entitled to a particular principal amount of Notes as aforesaid, the Note Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

2. DEFINITIVE NOTES

2.1 Issue of Definitive Notes

(a) A Permanent Global Note will be exchanged free of charge (in whole but not in part) for Notes in definitive bearer form (**Definitive Notes**) only if at any time after the Exchange Date any of the following applies:

(i) either Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so and no alternative clearing system satisfactory to the Note Trustee is available; or

(ii) as a result of any amendment to, or change in the laws or regulations of the Netherlands, Ireland or any applicable jurisdiction (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will become required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

(b) If any such event referred to above occurs while any Notes are represented by a Temporary Global Note, then Definitive Notes will not be issued until the corresponding interest in the relevant Temporary Global Note has been exchanged for the relevant Permanent Global Note, which exchange shall not, in any event, occur before the Exchange Date. Definitive Notes, if issued, will be available at the offices of any Paying Agent.

(c) Any such exchange shall take place no later than 30 days after the occurrence of the relevant event.

(d) Thereupon, the whole of such Permanent Global Note will be exchanged for Definitive Notes (in the form provided in Condition 2.2(a)), Receipts and Coupons in respect of principal and interest which has not already been paid on such Permanent Global Note as provided in such Permanent Global Note.

(e) If the Issuer fails to meet obligations to issue Notes in definitive form in exchange for a Permanent Global Note, then that Permanent Global Note shall remain in full force and effect.

2.2 Title to and Transfer of Definitive Notes

(a) Each Definitive Note shall be issued in bearer form, serially numbered, in the denomination of €100,000 each (with the exception of the Class X Note which shall be in the denomination of €50,000 each) and integral multiples of €1,000 in excess thereof, up to an including €199,000 with (at the date of issue) principal receipts (**Receipts**) and interest coupons (**Coupons**, which expression includes talons for further Coupons (**Talons**), except where the context otherwise requires) attached.

(b) Title to the Definitive Notes, Receipts and Coupons will pass by delivery (*levering*).

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

or of any writing on the Definitive Note, Receipt or Coupon) and the Issuer, the Note Trustee and the Paying Agents shall not be required to obtain any proof thereof or as to the identity of such holder.

(d) No Definitive Notes will be issued with a denomination above €199,000.

3. STATUS, SECURITY AND PRIORITY OF PAYMENTS

3.1 Status and relationship between Classes of Notes

(a) The Notes constitute direct, secured and unconditional obligations of the Issuer and are secured by security interests over the assets of the Issuer (as more particularly described in the Issuer Security Agreements) (the **Issuer Secured Assets**) (such security interests together, the **Issuer Security**). Notes of the same Class rank *pari passu* and rateably without any preference or priority amongst themselves.

(b) In accordance with the provisions of this Condition 3, the Trust Deed and the Issuer Security Agreements, the Class A Notes and the Class X Note will, subject to Condition 6.2, rank *pari passu* and, without preference amongst themselves will, subject to Condition 6.2, rank in priority to all other Classes of Notes in point of security and as to the payment of principal and interest. The Class B Notes will, subject to Condition 6.2, be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes and the Class X Note but will rank in priority to the Class C Notes, the Class D Notes and the Class E Notes in point of security and as to the payment of principal and interest. The Class C Notes will, subject to Condition 6.2, be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes, the Class X Note and the Class B Notes but will rank in priority to the Class D Notes and the Class E Notes in point of security and as to right of payment of principal and interest. The Class D Notes will, subject to Condition 6.2, be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes, the Class X Note, the Class B Notes and the Class C Notes but will rank in priority to the Class E Notes in point of security and as to right of payment and interest. The Class E Notes will, subject to Condition 6.2, be subordinated in point of security and as to right of payment of principal and interest in respect of the Class A Notes, the Class X Note, the Class B Notes, the Class C Notes and the Class D Notes.

(c) In connection with the exercise of the powers, trusts, authorities, duties and discretions vested in it by the Trust Deed and the other Transaction Documents the Note Trustee shall:

(i) except where expressly provided otherwise, have regard to the interests of the Class A Noteholders, the Class X Noteholder, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders equally **provided that** if in the opinion of the Note Trustee (A) (for so long as there are any Class A Notes and Class X Note outstanding) there is a conflict between the interests of the Class A Noteholders and the Class X Noteholder, on the one hand and the interests of the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders on the other hand, it shall, subject to paragraph (2) below, have regard only to the interests of the Class A Noteholders and the Class X Noteholder; (B) (for so long as there are any Class A Notes outstanding) there is a conflict between the interests of the Class A Noteholders on the one hand and the interests of the Class X Noteholder and/or the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders on the other hand, it shall have regard only to the interests of the Class A Noteholders; (C) (for so long as there are any Class B Notes outstanding) there is a conflict between the interests of the Class B Noteholders on the one hand and the interests of the Class C Noteholders and/or the Class D Noteholders and/or the Class E

Noteholders on the other hand, it shall, subject to paragraphs (A) and (B) above, have regard only to the interests of the Class B Noteholders; (D) (for so long as there are any Class C Notes outstanding) there is a conflict between the interests of the Class C Noteholders on the one hand and the interests of the Class D Noteholders and/or the Class E Noteholders on the other hand, it shall, subject to paragraphs (A) to (C) above, have regard only to the interests of the Class C Noteholders; (E) (for so long as there are any Class D Notes outstanding) there is a conflict between the interests of the Class D Noteholders on the one hand and the interests of the Class E Noteholders on the other hand, it shall, subject to paragraphs (A) to (D) above have regard only to the interests of the Class D Noteholders, but so that this proviso shall not apply in the case of powers, trusts, authorities, duties or discretions of the Note Trustee:

(1) in relation to which it is expressly stated that they may be exercised by the Note Trustee only if in its opinion the interests of the Noteholders of each Class would not be materially prejudiced thereby; or

(2) the exercise of which by the Note Trustee relates to any Basic Terms Modification, in which event the Note Trustee may exercise such powers, trusts, authorities, duties and discretions only if it is satisfied that to do so will not be materially prejudicial to the interests of the Noteholders of any Class that will be affected thereby;

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

(iii) except where expressly provided otherwise, have regard only to the interests of the Noteholders and shall not be required to have regard to the interests of any other Issuer Secured Party or any other person or to act upon or comply with any direction or request of any other Issuer Secured Party or any other person whilst any amount remains owing to any Noteholder.

3.2 Issuer Security and Priority of Payments

(a) The Issuer Security in respect of the Notes, Receipts and Coupons and the payment obligations of the Issuer under the Transaction Documents is set out in the Issuer Security Agreements.

(b) The Issuer will grant the Issuer Security in favour of the Note Trustee for itself and as a creditor in respect of the parallel debt undertaking. The Issuer Security secures an amount equal to all amounts owed by the Issuer to the Noteholders, the Note Trustee, any appointee of the Note Trustee, the Servicer, the Special Servicer, the Director of the Issuer, the Trustee Director, the Liquidity Facility Provider, the Issuer Account Bank, the Issuer Swap Counterparty, the Borrower Swap Counterparties, the Back-Up Borrower Swap Counterparty (in respect of amounts owed to it by the Issuer in its capacity as Agent or otherwise), the Originator (in respect of amounts due under the Loan Transfer Agreements), the Paying Agents, the Calculation Agent and any other party so designated by the Issuer and the Note Trustee (together the **Issuer Security Beneficiaries**).

(c) The Issuer will, pursuant to one or more Dutch, German and English law security agreements each dated on or about the Closing Date and made between, *inter alios*, the Issuer and the Note Trustee (the **Issuer Security Agreements**, which expression includes such security agreements 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), grant security over all of its rights and assets including its rights in the Transaction Documents and the Issuer Accounts (other than the Class X Principal Account which will secure the Class X Note only).

(d) The Class X Note will be cash collateralised by amounts credited to the Class X Principal Account, and such amounts will only be available to satisfy principal repayments on the Class X Note.

(e) The Note Trust Deed contains provisions regulating the priority of application of the Issuer Secured Assets (and proceeds thereof) among the persons entitled thereto prior to the Issuer Security becoming enforceable and the Note Trust Deed contains provisions regulating such application by the Note Trustee after the service of a Notes Acceleration Notice or the Issuer Security has become otherwise enforceable.

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

4. COVENANTS

4.1 Restrictions

Save with the prior written consent of the Note Trustee or as provided in these Conditions or as permitted by the Transaction Documents, the Issuer shall not so long as any of the Notes remains outstanding:

(a) ***Negative Pledge***: (save for the Issuer Security) create or permit to subsist any mortgage, sub-mortgage, charge, sub-charge, assignment, pledge, lien, hypothecation or other security interest whatsoever, however created or arising (unless arising by operation of law) over any of its property, assets or undertakings (including the Issuer Secured Assets) or any interest, estate, right, title or benefit therein or use, invest or dispose of, including by way of sale or the grant of any security interest of whatsoever nature or otherwise deal with, or agree or attempt or purport to sell or otherwise dispose of (in each case whether by one transaction or a series of transactions) or grant any option or right to acquire any such property, assets or undertaking present or future;

(b) ***Restrictions on Activities***:

(i) engage in any activity whatsoever which is not, or is not reasonably incidental to, any of the activities in which the Transaction Documents provide or envisage the Issuer will engage in;

(ii) open or have an interest in any account whatsoever, save where such account or the Issuer's interest therein is secured in favour of the Note Trustee so as to form part of the Issuer Security;

(iii) have any subsidiaries;

(iv) own or lease any premises or have any employees;

(v) amend, supplement or otherwise modify its articles of association; or

(vi) issue any further shares;

(c) ***Borrowings***: incur or permit to subsist any other indebtedness in respect of borrowed money whatsoever, except in respect of the Notes or the Liquidity Facility, or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;

(d) ***Merger***: consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;

(e) ***Disposal of Assets***: transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein (including its interest in the Loans and the Loan Security except to the extent requested by the Servicer or the Special Servicer (as the case may be) or if a Loan Event of a Default or a Notes Event of Default is outstanding);

(f) ***Assets****:* own assets other than those representing its share capital, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the Transaction Documents (including any Hedging Loan made to the Borrower) and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time;

(g) ***Dividends or Distributions***: pay any dividend or make any other distribution to its shareholders or issue any further shares;

(h) ***Other***: cause or permit any of the Transaction Documents to become invalid or ineffective, or the priority of the security interests created thereby, to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the Trust Deed, these Conditions, the Issuer Security Agreements or any of the other Transaction Documents, or permit any party to any Transaction Document or any other party whose obligations form part of the Issuer Security to be released from its obligations;

(i) ***Dissolution etc.:*** take any action for its dissolution (*ontbinding*), request the court to grant a suspension of payments (*surséance van betaling*) with respect to it or to declare its bankruptcy (*faillissement*);

(j) ***No Purchase of Notes:*** purchase of any of the Notes;

(k) ***Business Establishment***: have any other business establishment or other fixed establishment other than in the Netherlands; and

(l) ***Centre of Main Interests***: the Issuer shall 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 29th May, 2000 shall be and remain in the Netherlands.

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, provided that each of Fitch, Moody's and S&P has provided confirmation to the Note Trustee that the then applicable ratings of each Class of Notes then rated thereby will not be downgraded or withdrawn or qualified as a result of such modifications or additions.

4.2 Servicer and Special Servicer

(a) So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a servicer and a special servicer for the servicing of the Loans and the Loan Security and the performance of the other administrative duties set out in the Servicing Agreement.

(b) The Servicing Agreement will provide that (i) neither the Servicer nor the Special Servicer will be permitted to terminate its appointment unless a replacement servicer or special servicer, as the case may be, acceptable to the Issuer and the Note Trustee has been appointed and (ii) the appointment of the Servicer and the Special Servicer may be terminated by the Note Trustee if, *inter alia*, the Servicer or Special Servicer, as the case may be, defaults in any material respect in the observance and performance of any obligation imposed on it under the Servicing Agreement, which default is not remedied within thirty Business Days or such other time as may be provided in the Servicing Agreement after written notice of such default shall have been served on the Servicer or Special Servicer (as the case may be) by the Issuer or the Note Trustee.

(c) If the Loans become Specially Serviced in accordance with the Servicing Agreement, then the Issuer, upon being so instructed by an Extraordinary Resolution of the Class of Noteholders then acting as Controlling Class, will exercise its rights under the Servicing Agreement to appoint a substitute or successor special servicer in respect of the Loans subject to the conditions of the Servicing Agreement.

Controlling Class means, at any time:

(i) the holders of the most junior Class of Notes (other than the Class X Note) then having a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date; or

(ii) if no Class of Notes then has a Principal Amount Outstanding greater than 25 per cent. of its original aggregate Principal Amount Outstanding on the Closing Date, the holders of the then most junior Class of Notes (other than the Class X Note),

excluding, in each case, from the calculation of the Principal Amount Outstanding at that time any Notes which are held by, or for the benefit of or on behalf of the Borrower or NIBC and/or any one or more of its Affiliates (the **Excluded Class**).

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

4.3 Operating Adviser

The Class of Noteholders then acting as Controlling Class may, by an Extraordinary Resolution passed by that Class, appoint an adviser (the **Operating Adviser**) with whom the Servicer or Special Servicer, as the case may be, will be required to liaise in accordance with the Servicing Agreement.

5. INTEREST

5.1 Period of Accrual

The Notes will bear interest on its Principal Amount Outstanding from (and including) the Closing Date. Interest shall cease to accrue on any part of the Principal Amount Outstanding of any Note from the due date for redemption unless, upon due presentation, payment of principal or any part thereof due is improperly withheld or refused or any other default is made in respect thereof. In such event, interest will continue to accrue as provided in the Trust Deed.

5.2 Notes Interest Payment Dates and Notes Interest Periods

(a) Interest on the Notes is, subject as provided below in relation to the first payment, payable quarterly in arrear on the 25th day of January, April, July and October in each year or, if any such day is not a Business Day, the next following day that is a Business Day) (each, a **Notes Interest Payment Date**). The first such payment is due on the Notes Interest Payment Date falling in July 2007 in respect of the period from (and including) the Closing Date to (but excluding) that Notes Interest Payment Date.

For the purposes of these Conditions, **Business Day** means a day (other than Saturday or Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Amsterdam and Dublin provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System (**TARGET**) or any successor thereto is open for the settlement of payments in euro.

(b) Each period from (and including) a Notes Interest Payment Date (or the Closing Date, in the case of the first Notes Interest Period) to (but excluding) the next (or, in the case of the first Notes Interest Period, the first) Notes Interest Payment Date is in these Conditions called a **Notes Interest Period**.

(c) Whenever it is necessary to calculate an amount of interest for any period (including any Notes Interest Period), such interest shall be calculated on the basis of actual days elapsed and a 360 day year and rounding the relevant amount of interest downward to the nearest euro cent (fractions of half a euro cent being rounded upwards).

5.3 Rates of Interest

(a) The rate of interest payable from time to time (the **Rate of Interest**) and the Interest Payment in respect of each Class of Notes (other than the Class X Note) will be determined by the Calculation Agent on the basis of the following provisions:

(i) the Calculation Agent will, at or as soon as practicable after 11.00 a.m. (Central European time) on the day that is two Business Days prior to each Notes Interest Payment Date, and in respect of the first Notes Interest Period, two Business Days prior to the Closing Date (each, an **Interest Determination Date**), determine the Rate of Interest applicable to, and calculate the amount of interest payable on each of the Notes (other than the Class X Note) (each payment so calculated, an **Interest Payment**), for the next Notes Interest Period. The Rate of Interest applicable to the Notes of each Class (other than the Class X Note) for any Notes Interest Period will be equal to EURIBOR (as determined in accordance with paragraph (b) below) plus a margin (the **Margin**) of:

(A) in the case of the Class A Notes, 0.17 per cent. *per annum*;

(B) in the case of the Class B Notes, 0.23 per cent. *per annum*;

(C) in the case of the Class C Notes, 0.39 per cent. *per annum*;

(D) in the case of the Class D Notes, 0.72 per cent. *per annum*;

(E) in the case of the Class E Notes, 0.95 per cent. *per annum*.

(b) For the purposes of determining the Rate of Interest in respect of each Class of Notes under paragraph (a) above, EURIBOR will be determined by the Calculation Agent on the basis of the following provisions:

(i) at or about 11:00 a.m. (Central European time) on each Interest Determination Date, the Calculation Agent shall determine the EURIBOR rate for three month euro deposits in the Eurozone interbank market (or, in respect of the first Notes Interest Period, a linear interpolation of the appropriate rates as determined by the Calculation Agent) as published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on the Telerate Page 248 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuters Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the EURIBOR rate selected by the Calculation Agent) (the **EURIBOR Screen Rate**); or

(ii) if, on the relevant Interest Determination Date, the EURIBOR Screen Rate is not available, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Calculation Agent will request the principal euro-zone office of each of four major banks in the euro-zone interbank market duly appointed for that purpose (the **Reference Banks** provided that, once a Reference Bank has been appointed by the Calculation Agent, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such) to provide a quotation for the rate at which three month euro deposits are offered by such Reference Banks for the same period as that Notes Interest Period in the euro-zone interbank market at approximately 11:00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market.

If, on any such Interest Determination Date, at least two of the Reference Banks provide such offered quotations to the Calculation Agent, EURIBOR for the relevant Notes Interest Period will be the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as are provided.

If, on any Interest Determination Date, only one of the Reference Banks provides the Calculation Agent with such an offered quotation, the Calculation Agent shall consult with the Note Trustee and the Issuer for the purposes of agreeing, one additional bank to provide such a quotation or quotations to the Calculation Agent (which bank is, in the opinion of the Note Trustee, suitable for such purpose) and EURIBOR for the relevant Notes Interest Period will be the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations of such banks.

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, for the relevant Notes Interest Period will be rate determined by the Calculation Agent on the basis of the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks in the euro zone, of which there will be at least two in number selected by the Calculation Agent in consultation with the Note Trustee and the Issuer, at approximately 11:00 a.m. (Central European time) on the relevant Interest Determination Date for three months deposits to leading euro-zone banks.

(c) There will be no minimum or maximum Rates of Interest.

(d) The amount of interest payable on each Notes Interest Payment Date in respect of the Class X Note (the **Class X Interest Amount**) is an amount (as calculated on the Calculation Date falling immediately prior to that Notes Interest Payment Date) equal to the sum of (a) 3-month EURIBOR multiplied by the Class X Principal Amount multiplied by the actual number of days in the relevant Notes Interest Period divided by 360 plus (b) the Available Issuer Income as determined on that Calculation Date less (c) the aggregate amount of interest payable in respect of Notes (other than the Class X Note) on the relevant Notes Interest Payment Date and an amount equal to 3-month EURIBOR multiplied by the Class X Principal Amount multiplied by the actual number of days in the relevant Notes Interest Period divided by 360 less (d) the aggregate of all amounts payable by the Issuer on the relevant Notes Interest Payment Date in accordance with items (a) to (e) of the Pre-Enforcement Interest Priority of Payments or items (a) to (d) of the Post-Enforcement Priority of Payments (as the case may be).

The Class X Interest Rate for each Notes Interest Period is the percentage rate calculated as follows: (a) the product of (i) the Class X Interest Amount divided by (ii) the actual number of days in the relevant Notes Interest Period multiplied by (iii) 360 divided by (b) the principal Amount Outstanding of the Class X Note as of the first day of the Notes Interest Period.

In addition to the Class X Interest, on each Notes Interest Payment Date the Issuer shall pay to the Class X Noteholder an amount equal to any prepayment fees received by it under the Loan Agreements in respect of a repayment or prepayment of the Loans during the Calculation Period which has just ended. Such amounts shall be paid independently of the Pre-Enforcement Interest Priority of Payments.

5.4 Determination of Rates of Interest and Calculation of Interest Amounts for Notes

(a) The Calculation Agent shall, on or as soon as practicable after each Interest Determination Date, but in no event later than the first day of the relevant Notes Interest Period, notify the Issuer, the Note Trustee and the Paying Agents in writing of:

(i) the Rates of Interest applicable to the Notes Interest Period immediately following such Interest Determination Date in respect of the Notes of each Class (other than the Class X Note);

(ii) the amount of each Interest Payment payable in respect of such Notes Interest Period in respect of the Notes of each Class (other than the Class X Note).

(b) The Calculation Agent shall, on or as soon as practicable after each Calculation Date, but in any event no later than two Business Days prior to the Notes Interest Payment Date immediately following that Calculation Date, notify the Issuer, the Note Trustee and the Paying Agents in writing of the Class X Interest Rate and the Class X Interest Amount.

5.5 Publication of Rates of Interest and Interest Payments

As soon as practicable after receiving notification thereof by the Calculation Agent, the Issuer will cause the Rate of Interest and the Interest Payment relating to each Class of Notes (other than the Class X Note) and the Class X Interest Rate and the Class X Interest Amount for each Notes Interest Period and the Notes Interest Payment Date to be notified in writing in the English language to the Irish Stock Exchange Limited (the **Irish Stock Exchange**) (for so long as the Notes (or any of them) are listed on the Irish Stock Exchange) and will cause notice thereof to be given to the relevant Class of Noteholders in accordance with Condition 15. The Interest Payments, the Class X Interest Amount and the Notes Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of a lengthening or shortening of such Notes Interest Period.

5.6 Determination or Calculation by Note Trustee

If the Calculation Agent at any time for any reason does not determine the Rates of Interest, the Class X Interest Rate or calculate an Interest Payment or make any other necessary calculations in accordance with the foregoing Conditions, the Note Trustee shall procure the determination of the Rates of Interest or, as the case may be, the Class X Interest Rate at such rates as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Condition 5.3), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Note Trustee shall calculate the Interest Payment or, as the case may be, the Class X Interest Amount in accordance with Condition 5.3, and each such determination or calculation shall be deemed to have been made by the Calculation Agent and the Note Trustee shall have no liability in respect thereof.

5.7 Notification to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Reference Banks (or any of them) or the Calculation Agent or the Note Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent, the Paying Agents, the Servicer, the Special Servicer, the Note Trustee and all Noteholders and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Issuer, the Reference Banks, the Calculation Agent, the Paying Agent or the Note Trustee in connection with the exercise by them of any of their powers, duties and discretions under this Condition.

5.8 Calculation Agent

The Issuer will procure that, so long as any of the Notes remain outstanding, there will at all times be a Calculation Agent. The Issuer reserves the right at any time with the prior written consent of the Note Trustee to terminate the appointment of the Calculation Agent. Notice of any such termination will be

given to the Noteholders in accordance with Condition 15. If any person shall be unable or unwilling to continue to act as the Calculation Agent, or if the appointment of the Calculation Agent shall be terminated, the Issuer will, with the written approval of the Note Trustee, appoint a successor Calculation Agent to act as such in its place, provided that neither the resignation nor the removal of the Calculation Agent shall take effect until a successor approved by the Note Trustee has been appointed.

5.9 Non-payment of Class X Interest Amount

There shall be no Note Event of Default caused solely by reason of the non-payment when due of interest on the Class X Note.

6. REDEMPTION

6.1 Redemption on Maturity

Save to the extent otherwise redeemed or cancelled in accordance with this Condition 6, the Issuer shall redeem the Notes of each Class at their respective Principal Amounts Outstanding plus interest accrued and unpaid on the Notes Interest Payment Date which falls in October 2019 (the **Notes Maturity Date**).

6.2 Mandatory redemption of the Notes in part

(a) Unless a Notes Acceleration Notice has been served, on each Notes Interest Payment Date, the Issuer shall apply an amount equal to all Scheduled Amortisation Payments received by it under the Loan Agreements during the preceding Calculation Period in mandatory redemption of each Class of Notes immediately prior to such Notes Interest Payment Date.

(b) For the purposes of these Conditions:

(i) **Available Issuer Principal** means, in respect of any Calculation Date, the aggregate of (i) Available *Pro rata* Principal (as defined below) and (ii) Available Sequential Principal (as defined below) as at that Calculation Date;

(ii) **Available *Pro rata* Principal** means in respect of any Calculation Date the aggregate of (i) Available *Pro rata* Category Two Principal (as defined below) and (ii) Available *Pro rata* Category Three Principal (as defined below), whereby:

(A) **Available *Pro rata* Category Two Principal** means in respect of any Calculation Date 50 per cent. of: (i) any Category Two Available Prepayment Redemption Funds; (ii) any Category Two Available Final Redemption Funds and; (iii) any Category Two Available Scheduled Amortisation Payments; and

(B) **Available *Pro rata* Category Three Principal** means in respect of any Calculation Date the aggregate of any Category Three Available Prepayment Redemption Funds, any Category Three Available Final Redemption Funds and any Category Three Available Scheduled Amortisation Payments,

in each case received in respect of the relevant Loan during the Collection Period then ended;

(iii) **Available Sequential Principal** means, in respect of any Calculation Date, the aggregate of:

(A) any Category One Available Prepayment Redemption Funds, any Category One Available Final Redemption Funds,

(B) 50 per cent. of: (i) any Category Two Available Prepayment Redemption Funds; (ii) any Category Two Available Final Redemption Funds; and

(C) all Available Principal Recovery Funds

in each case received in respect of the relevant Loan during the Collection Period then ended;

(iv) **Category One Loan** means:

(A) the Tommy Loan.

(v) **Category Two Loans** means:

(A) the Dutch Offices I Loan; and

(B) the Dutch Offices II Loan.

(vi) **Category Three Loans** means:

(A) the Sparkasse Loan;

(B) the Schiphol Loan;

(C) the Berlin Loan;

(D) the TOR Loans;

(E) the Derrick Loan; and

(F) the NRW Loan.

(vii) **Final Redemption Funds** means the aggregate of:

(A) the Category One Final Redemption Funds;

(B) the Category Two Final Redemption Funds; and

(C) the Category Three Final Redemption Funds.

(viii) **Prepayment Redemption Funds** means the aggregate of:

(A) the Category One Prepayment Redemption Funds;

(B) the Category Two Prepayment Redemption Funds; and

(C) the Category Three Prepayment Redemption Funds.

(ix) **Principal Recovery Funds** means the aggregate of:

(A) the Category One Principal Recovery Funds;

(B) the Category Two Principal Recovery Funds; and

(C) the Category Three Principal Recovery Funds.

(x) **Category One Final Redemption Funds** means the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category One Loans as a result of the repayment of the relevant Category One Loan upon its scheduled final maturity date, and **Category One Available Final Redemption Funds** means, in respect of any Calculation Date, the Category One Final Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xi) **Category One Prepayment Redemption Funds** means (i) the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category One Loan as a result of any prepayment in part or in full made by the Borrower pursuant to the terms of the relevant Loan Agreement (including upon the receipt of insurance proceeds not applied prior to the final maturity of the relevant Loan), and (ii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of a repurchase of the Category One Loan by the Seller pursuant to the Loan Transfer Agreement, and (iii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of the purchase of the Category One Loan by the Servicer or the Special Servicer pursuant to the Servicing Agreement and **Category One Available Prepayment Redemption Funds** means, in respect of any Calculation Date, the Category One Prepayment Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xii) **Category One Principal Recovery Funds** means the aggregate amount of principal payments received or recovered by or on behalf of the Issuer as a result of actions taken in accordance with the enforcement procedures in respect of the Category One Loan and/or its related security (other than Post Write-off Recovery Funds), and **Category One Available Principal Recovery Funds** means, in respect of any Calculation Date, the Category One Principal Recovery Funds received or recovered by or on behalf of the Issuer during the Collection Period then ended as adjusted for: (i) any amount of Interest Rate Swap Breakage Receipts receivable by the Issuer under the relevant Interest Rate Swap Transaction to the extent utilised in the calculation of Adjusted Loan Principal Loss in respect of that Category One Loan; less (ii) any amount to be transferred to Available Issuer Income on the Interest Payment Date immediately following such Calculation Date for the purpose of paying Liquidation Fees, if any, payable on that Interest Payment Date in respect of that Category One Loan;

(xiii) **Category Two Final Redemption Funds** means the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Two Loans as a result of the repayment of the relevant Category Two Loan upon its scheduled final maturity date, and **Category Two Available Final Redemption Funds** means, in respect of any Calculation Date, the Category Two Final Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xiv) **Category Two Prepayment Redemption Funds** means (i) the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Two Loans as a result of any prepayment in part or in full made by the Relevant Borrower pursuant to the terms of the relevant Loan Agreements (including upon the receipt of insurance proceeds not applied prior to

the final maturity of the relevant Loan), and (ii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of a repurchase of a Category Two Loan by the Seller pursuant to the Loan Transfer Agreement, and (iii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of the purchase of a Category Two Loan by the Servicer or the Special Servicer pursuant to the Servicing Agreement, and **Category Two Available Prepayment Redemption Funds** means, in respect of any Calculation Date, the Category Two Prepayment Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xv) **Category Two Principal Recovery Funds** means the aggregate amount of principal payments received or recovered by or on behalf of the Issuer as a result of actions taken in accordance with the enforcement procedures in respect of a Category Two Loan and/or its related security (other than Post Write-off Recovery Funds), and **Category Two Available Principal Recovery Funds** means, in respect of any Calculation Date, the Category Two Principal Recovery Funds received or recovered by or on behalf of the Issuer during the Collection Period then ended as adjusted for: (i) any amount of Interest Rate Swap Breakage Receipts receivable by the Issuer under the relevant Interest Rate Swap Transaction to the extent utilised in the calculation of Adjusted Loan Principal Loss in respect of that Category Two Loan; less (ii) any amount to be transferred to Available Issuer Income on the Interest Payment Date immediately following such Calculation Date for the purpose of paying Liquidation Fees, if any, payable on that Interest Payment Date in respect of a Category Two Loan;

(xvi) **Category Three Final Redemption Funds** means the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Three Loans as a result of the repayment of the relevant Category Three Loan upon its scheduled final maturity date, and **Category Three Available Final Redemption Funds** means, in respect of any Calculation Date, the Category Three Final Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xvii) **Category Three Prepayment Redemption Funds** means (i) the aggregate amount of principal payments received by or on behalf of the Issuer in respect of the Category Three Loans as a result of any prepayment in part or in full made by the Relevant Borrower pursuant to the terms of the relevant Loan Agreements (including upon the receipt of insurance proceeds not applied prior to the final maturity of the relevant Loan), and (ii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of a repurchase of a Category Three Loan by the Seller pursuant to the Loan Transfer Agreement, and (iii) the aggregate amount of payments in respect of principal received by or on behalf of the Issuer as a result of the purchase of a Category Three Loan by the Servicer or the Special Servicer pursuant to the Servicing Agreement and **Category Three Available Prepayment Redemption Funds** means, in respect of any Calculation Date, the Category Three Prepayment Redemption Funds received by or on behalf of the Issuer during the Collection Period then ended;

(xviii) **Category Three Principal Recovery Funds** means the aggregate amount of principal payments received or recovered by or on behalf of the Issuer as a result of actions taken in accordance with the enforcement procedures in respect of a Category Three Loan and/or its related security (other than Post Write-off Recovery Funds), and **Category Three Available Principal Recovery Funds** means, in respect of any Calculation Date, the Category Three Principal Recovery Funds received or recovered by or on behalf of the Issuer during the Collection Period then ended as adjusted for: (i) any amount of Interest Rate Swap Breakage Receipts receivable by the Issuer under the relevant Interest Rate Swap Transaction to the extent utilised in the

calculation of Adjusted Loan Principal Loss in respect of that Category Three Loan; less (ii) any amount to be transferred to Available Issuer Income on the Interest Payment Date immediately following such Calculation Date for the purpose of paying Liquidation Fees, if any, payable on that Interest Payment Date in respect of a Category Three Loan;

(xix) **Interest Rate Swap Breakage Receipts** means the aggregate of all amounts paid to the Issuer under the Interest Rate Swap Agreement as a result of the termination, in whole or in part, of any Interest Rate Swap Transaction thereunder, and **Available Interest Rate Swap Breakage Receipts** means, in respect of any Calculation Date, the Interest Rate Swap Breakage Receipts received or to be received by or on behalf of the Issuer during the period since (but excluding) the immediately preceding Interest Payment Date to (and including) the immediately following Interest Payment Date (but excluding; (i) any Interest Rate Swap Breakage Receipts paid to the Issuer by the Interest Rate Swap Counterparty following a default under a Loan in respect of which no Loan Principal Loss arises; (ii) any Interest Rate Swap Breakage Receipts paid to the Issuer as a result of a prepayment in whole or in part of a Loan by a Borrower; or (iii) Interest Rate Swap Breakage Receipts paid to the Issuer following the occurrence of a Loan Principal Loss);

(xx) **Post Write-off Recovery Funds** means the aggregate amount received by the Servicer or the Special Servicer on behalf of the Issuer in respect of a Loan following the write-off of such amounts by the Servicer or the Special Servicer on the completion of enforcement procedures in relation to such Loan;

(xxi) **Available Final Redemption Funds** means the aggregate of:

(A) the Category One Available Final Redemption Funds;

(B) the Category Two Available Final Redemption Funds; and

(C) the Category Three Available Final Redemption Funds.

(xxii) **Available Prepayment Redemption Funds** means the aggregate of:

(A) the Category One Available Prepayment Redemption Funds;

(B) the Category Two Available Prepayment Redemption Funds; and

(C) the Category Three Available Prepayment Redemption Funds.

(xxiii) **Available Principal Recovery Funds** means the aggregate of:

(A) the Category One Available Principal Recovery Funds;

(B) the Category Two Available Principal Recovery Funds; and

(C) the Category Three Available Principal Recovery Funds,

but, in each case, without double counting, only to the extent that such monies have not been taken into account in the calculation of Available Scheduled Amortisation Payments, Category One Available Prepayment Redemption Funds, Category Two Available Prepayment

Redemption Funds, Category Three Available Prepayment Redemption Funds, Category One Available Final Redemption Funds, Category Two Available Final Redemption Funds, Category Three Available Final Redemption Funds, Available Interest Rate Swap Breakage Receipts, Available Sequential Principal, Available *Pro rata* Principal or Category One Available Principal Recovery Funds, Category Two Available Principal Recovery Funds, Category Three Available Principal Recovery Funds, as applicable, on any preceding Calculation Date.

(c) **Application of Available Sequential Principal**

Available Sequential Principal determined on each Calculation Date shall be applied on the immediately following Interest Payment Date in the following order of priority:

(i) first, in repaying, *pari passu* and *pro rata*, principal on the Class A Notes until all the Class A Notes have been redeemed in full;

(ii) second, in repaying, *pari passu* and *pro rata*, principal on the Class B Notes until all the Class B Notes have been redeemed in full;

(iii) third, in repaying, *pari passu* and *pro rata*, principal on the Class C Notes until all the Class C Notes have been redeemed in full;

(iv) fourth, in repaying, *pari passu* and *pro rata*, principal on the Class D Notes until all the Class D Notes have been redeemed in full;

(v) fifth, in repaying, *pari passu* and *pro rata*, principal on the Class E Notes until all the Class E Notes have been redeemed in full; and

(vi) sixth, in paying any surplus to the Issuer.

(d) **Application of Available *Pro rata* Principal**

Following application of Available Sequential Principal as set forth immediately above, the Available *Pro rata* Principal determined on each Calculation Date shall, save if a Sequential Trigger Event exists on such Calculation Date, be applied on the immediately following Interest Payment Date in the following order of priority:

(i) first, *pari passu* and *pro rata* according to the Principal Amount Outstanding of each Class on the Closing Date, in repaying concurrently, principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes until each such Note has been redeemed in full;

(ii) second, any excess on any Class of Notes should be used to repay the next Most Senior Class of Notes;

(iii) third, in paying any surplus to the Issuer,

provided that, in the event that a Sequential Prepayment Trigger exists (each, a **Sequential Prepayment Trigger Event**) on a Calculation Date, on the next following Interest Payment Date, Available *Pro rata* Principal will be applied concurrently with, and in the same order of priority as, Available Sequential

Principal as set out in (i) to (vi) of "*Application of Available Sequential Principal*" above, all as more fully set out in the Cash Management Agreement:

(a) If a Sequential Prepayment Trigger Event is outstanding on any Calculation Date (other than as a result of the service of a Notes Acceleration Notice), on the next Notes Interest Payment Date, the Issuer shall apply an amount equal to the Available Notes Redemption Amount (if any) (as determined on the Calculation Date immediately preceding that Notes Interest Payment Date) in mandatory redemption of the Notes in order of seniority of the Notes provided that the Notes of a particular Class may only be redeemed after all of the Notes of any more senior Class of Notes have been redeemed in full.

(b) If a Notes Acceleration Notice has been served, the Issuer shall apply all amounts received by it (if any) in respect of a repayment, prepayment or enforcement of the Loans in accordance with the Post-Enforcement Priority of Payments.

For this purpose:

Available Notes Redemption Amount means, on any Calculation Date, the aggregate amount of principal repayments and prepayments of the Loans received by the Issuer under the terms of the Loan Agreements during the Calculation Period which has just ended.

Pre-Enforcement Principal Priority of Payments means the application of Available Sequential Principal at (c) above and the Application of Available Pro Rata Principal at (d) above.

Principal Amount Outstanding means:

(a) in respect of any Note at any time, the principal amount thereof as at the Closing Date as reduced by any payment of principal to the holder of the Note since the Closing Date up to (and including) that time; or

(b) in respect of each Class of Notes, the aggregate Principal Amount Outstanding of all Notes in such class.

Scheduled Amortisation Payments means the amount of each scheduled amortisation payment received by the Issuer under any Loan Agreement on each Loan Interest Payment Date. As at the Closing Date, the Borrowers are required to pay an amount in *pro rata* repayment of the Loans in each year (subject to non-Business Day adjustment) as further set out in the *Description of the Loans*. The Agent is, in its sole discretion, permitted to alter, *inter alia*, the amount and timing of the scheduled amortisation payments as a result of a review of each updated valuation of the Properties provided under the terms of the Loan Agreements.

Sequential Prepayment Trigger Event means, on any Calculation Date:

(a) a Notes Acceleration Notice has been served;

(b) a Loan is being Specially Serviced; or

(c) there is a debit balance on any Principal Deficiency Ledger.

6.3 Redemption following a repurchase of the Loans

If the Loans are repurchased by the Originator pursuant to the Loan Transfer Agreement, the Issuer shall redeem all (but not some only) of the Notes at their respective Principal Amount Outstanding together with accrued interest on the next Notes Interest Payment Date provided that, the Issuer shall have satisfied the Note Trustee that it has or will have the funds, not subject to the interest of any other persons, required to fulfil its obligations hereunder in respect of the Notes and any amounts required to be paid *pari passu* with, or in priority to, the Notes and shall have delivered to the Note Trustee a certificate signed by the managing director of the Issuer stating that the Issuer will have such funds; and the Note Trustee shall accept the certificate as sufficient evidence of satisfaction of such condition precedent and it shall be conclusive and binding on the Noteholders.

6.4 Redemption for Taxation or Other Reasons

(a) If the Issuer at any time satisfies the Note Trustee immediately prior to the giving of the notice referred to below that either:

(i) by virtue of a change in the tax law of Ireland, the Netherlands or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next Notes Interest Payment Date the Issuer (or any Paying Agent on its behalf) would become subject to tax on its income in more than one jurisdiction or would be required to make any withholding or deduction from any payment of principal or interest in respect of any of the Notes, or the Issuer would suffer any withholding or deduction from any payment in respect of the Loans, for or on account of any present or future tax, duty assessment or charge of whatsoever nature incurred, levied, collected, withheld or assessed by the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) it has become unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations under a Finance Document or to maintain its participation in the Loans,

then, provided no Notes Acceleration Notice has been served, the Issuer shall inform the Note Trustee accordingly and may, in order to avoid the event described, arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Note Trustee in accordance with Condition 12(n).

(b) If the Issuer is unable to arrange such a substitution which would have the result of avoiding the event described above within a reasonable period of time (as determined by the Note Trustee in its sole discretion), then the Issuer shall, having given not more than 60 nor less than 30 days' written notice (or such shorter notice period as the Note Trustee may agree) to the Noteholders in accordance with Condition 15, redeem all (but not some only) of the Notes at their respective Principal Amounts Outstanding together with accrued interest on the next Notes Interest Payment Date, provided that, prior to giving any such notice, the Issuer, the Servicer or the Special Servicer (as the case may be) shall have satisfied the Note Trustee that it will have the funds, not subject to the interest of any other persons, required to fulfil its obligations hereunder in respect of the Notes and any amounts required to be paid *pari passu* with, or in priority to, the Notes and shall have delivered to the Note Trustee a certificate signed by the managing director of the Issuer stating that the event described above will apply on the occasion of the next Notes Interest Payment Date and cannot be avoided by the Issuer using reasonable endeavours to arrange a substitution as aforesaid and that the Issuer will have the funds referred to

above; and the Note Trustee shall accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

6.5 Clean Up Call

If, on any Notes Interest Payment Date, the aggregate Principal Amount Outstanding under the Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date, the Issuer may (but is not obliged), having given not more than 60 nor less than 30 days' notice to the Note Trustee and Noteholders in accordance with Condition 15, redeem all (but not some only) of the Notes at their respective Principal Amount Outstanding together with accrued but unpaid interest on the next Notes Interest Payment Date, provided that, prior to giving any such notice, the Issuer, the Servicer or the Special Servicer (as the case may be) shall have satisfied the Note Trustee that it will have the funds, not subject to the interest of any other persons, required to fulfil its obligations hereunder in respect of the Notes and any amounts required to be paid *pari passu* with, or in priority to, the Notes and shall have delivered to the Note Trustee a certificate signed by the managing director of the Issuer stating that the event described above will apply on the occasion of the next Notes Interest Payment Date and cannot be avoided by the Issuer using reasonable endeavours to arrange a substitution as aforesaid and that the Issuer will have the funds referred to above; and the Note Trustee shall accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

6.6 Notice of Redemption

Any notice referred to in Conditions 6.4 to 6.6 (inclusive) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the relevant Class of Notes in the amounts specified in these Conditions.

6.7 Purchase

The Issuer shall not purchase Notes.

6.8 Cancellation

All Notes redeemed in full will be cancelled forthwith and may not be resold or reissued.

7. PAYMENTS

(a) Payments of principal and interest in respect of the Notes will be made in euro against presentation or surrender (as the case may be) of the relevant Global Notes or Definitive Notes, Receipts and/or Coupons (as the case may be) at the specified office of any Paying Agent. A record of each payment made, distinguishing between any payment of principal and any payment of interest and such record shall be *prima facie* evidence that the payment in question has been made. Payments of principal, interest and premium (if any) in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto and to normal banking practice. Upon the date on which any Definitive Note becomes due and repayable in full, all unmatured Receipts and Coupons appertaining to such Definitive Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

(b) For so long as the Notes are in global form, each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as being entitled to a particular principal amount of Notes will be entitled to receive any payment so made in respect of those Notes in accordance with the rules and procedures of Euroclear and/or, as the case may be, Clearstream, Luxembourg. None of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note of the relevant Class shall have any claim directly against the Issuer or the Note Trustee in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer or the Note Trustee, as the case may be, shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note.

(c) Payments to holders of interests in the Notes shown in the records of Euroclear or Clearstream, Luxembourg as being entitled to receive payments in respect of the Global Notes will be paid in euro.

(d) If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 5 and the provisions of the Trust Deed will be paid against presentation of such Note at the specified office of any Paying Agent.

(e) If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further payments of additional amounts by way of interest, principal or otherwise. In this Condition 7(e) the expression **Payment Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of presentation and which is a Business Day.

(f) If a Paying Agent makes a partial payment in respect of any Note presented to it for payment, such Paying Agent will notify the Clearing Systems so that they may update the records in relation to the relevant Note indicating the amount and date of such payment.

(g) The initial Paying Agents and their initial specified offices are listed at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents or Calculation Agents. For as long as the Notes (or any of them) are listed on the Irish Stock Exchange, the Issuer will at all times maintain an Irish Paying Agent with a specified office in Dublin. The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents or their specified offices to be given to the Noteholders in accordance with Condition 15.

8. PRESCRIPTION

Claims for principal and interest in respect of Notes, Receipts and Coupons shall become void unless made within five years of the appropriate Relevant Date. In this Condition, the **Relevant Date** means the date on which a payment first becomes due or (if the full amount of the moneys payable has not been duly received by the relevant Paying Agent or the Note Trustee on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Noteholders in accordance with Condition 15.

9. TAXATION

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer (or any Paying Agent) is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction for, or on account of, any such taxes, duties or charges. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. **Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to Noteholders in respect of any such withholding or deduction.**

10. EVENTS OF DEFAULT

(a) The Note Trustee at its absolute discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes (other than the Class X Note) then outstanding or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes (other than the Class X Note) then outstanding shall, (subject in each case to its being secured and/or indemnified to its satisfaction) give notice in writing (a **Notes Acceleration Notice**) to the Issuer declaring the Notes to be due and repayable (and they shall forthwith become due and repayable) at any time after the happening of any of the following events (each, a **Note Event of Default**):

(i) default being made for a period of three days in the payment of any principal of, or default is made for a period of five days in the payment of any interest on, the Class A Note or any other premium payable in respect of the Class A Note when and as the same ought to be paid in accordance with these Conditions; or

(ii) breach by the Issuer of any representation or warranty made by it in these Conditions, the Trust Deed or any of the other Transaction Documents to which it is a party and in any such case (except where the Note Trustee certifies that, in its opinion, such breach is incapable of remedy, when no notice will be required), such breach is continuing for a period of 30 days following the service by the Note Trustee on the Issuer of notice in writing requiring the same to be remedied; or

(iii) the Issuer failing duly to perform or observe any other obligation, condition or provision binding upon it under these Conditions, the Trust Deed or any of the other Transaction Documents to which it is a party and in any such case (except where the Note Trustee certifies that, in its opinion, such failure is incapable of remedy, when no notice will be required), such failure is continuing for a period of 30 days (or such longer period as the Note Trustee may permit at its sole discretion) following the service by the Note Trustee on the Issuer of notice in writing requiring the same to be remedied; or

(iv) the Issuer, otherwise than for the purposes of a pre-approved amalgamation or reconstruction as is referred to in sub-paragraph (v) below, ceases or, through an official action of the board of directors of the Issuer, threatens to cease to carry on business (or a substantial part thereof) or the Issuer is (or is deemed to be) unable to pay its debts as and when they fall due; or

(v) an order being made or an effective resolution being passed for the dissolution or winding-up of the Issuer or for the appointment of an administrator (*bewindvoerder*) 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 the Note Trustee in writing or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes (other than the Class X Note) then outstanding; or

(vi) a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any part of the Issuer's assets is made and not discharged or released within a period of 20 days or the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with its creditors or the Issuer files a petition for a suspension of payments (*surséance van betaling*) or for bankruptcy (*faillissement*) or is declared bankrupt and such proceedings, petition or process or any similar proceedings or process in any jurisdiction (as the case may be) are not discharged or otherwise cease to apply within 15 days,

provided that in the case of each of the events described in sub-paragraphs (ii) and (iii) above, the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class of Notes outstanding.

(b) Upon any declaration being made by the Note Trustee in accordance with paragraph (a) above that the Notes are due and repayable each Note shall thereby immediately become due and repayable at its Principal Amount Outstanding together with accrued interest as provided in the Trust Deed and the Issuer Security Agreements subject to the Post-Enforcement Priority of Payments and the Issuer Security shall become enforceable.

11. ENFORCEMENT

(a) The Note Trustee may, at its discretion and without notice at any time and from time to time, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce the Issuer's obligations under the Notes, these Conditions or the provisions of any other Transaction Documents and, subject to paragraph (c) below, at any time after the Issuer Security has become enforceable, the Note Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Issuer Security, but it shall not be bound to take any such proceedings, action or steps (including, but not limited to, the giving of any Notes Acceleration Notice) unless it shall have been directed or requested to do so (a) by an Extraordinary Resolution of the holders of the Most Senior Class of Notes (other than the Class X Note) then outstanding or (b) by notice in writing signed by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (other than the Class X Note) then outstanding and, in each case, only if the Note Trustee has been secured and/or indemnified to its satisfaction against all actions, proceedings, claims, demands, costs, expenses or other liabilities to which it may become liable as a result of taking such action provided that enforcement of the Issuer Security (provided a Notes Acceleration Notice has been delivered pursuant to Condition 10(a)) shall be the only remedy available for the repayment of the Notes and the payment of accrued interest.

(b) Subject to paragraphs (c) and (d) below, no Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Transaction Documents or to enforce the Issuer Security unless the Note Trustee, having become bound so to do, fails to do so within a reasonable period and such failure is continuing and provided further that no such action or proceedings may be taken by any Noteholder, unless and until (and then only to the extent that) the Issuer has assets sufficient to meet its claim in full having taken into account all other amounts which rank *pari passu* with or in priority to its liabilities to the relevant Noteholder.

(c) If the Note Trustee has taken enforcement action under the Issuer Security Agreements and distributed all of the resulting proceeds (including the proceeds of realising the security thereunder), then, to the extent that any amount is still owing to any Issuer Secured Party, the obligations of the Issuer in respect of such unpaid amounts shall be extinguished and each Issuer Secured Party shall agree to irrevocably waive its rights in respect of such unpaid amounts.

(d) None of the Noteholders or any other Issuer Secured Party may take any action with respect to the commencement of any bankruptcy, winding-up, suspension of payments, reorganisation, arrangement, insolvency, liquidation or similar proceedings against the Issuer. The Noteholders and each other Issuer Secured Party accept and agree that the only remedy against the Issuer after any of the Notes have become due and payable hereunder is an enforcement of the Issuer Security Agreements in accordance herewith.

(e) The Note Trustee cannot, while any of the Notes are outstanding, be required to enforce the Issuer Security at the request of any other Issuer Secured Party under the Issuer Security Agreements.

(f) At no time shall the Note Trustee be bound to act at the direction or request of the Class X Noteholder.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND NOTE TRUSTEES DISCRETIONS

(a) The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents or any other documents the rights and benefits of the Issuer in respect of which are comprised in the Issuer Security. The Class X Noteholder shall not be entitled to hold meetings or to pass resolutions (including Extraordinary Resolutions)

(b) The quorum at any meeting of the Noteholders of any Class or Classes or persons present holding voting certificates or being proxies for passing an Extraordinary Resolution shall be one or more persons holding or representing a clear majority of not less than 50.1 per cent. in Principal Amount Outstanding of the Notes of the relevant Class or Classes then outstanding or, at any adjourned meeting, one or more persons being or representing the Noteholders of the relevant Class or Classes whatever the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes so held or represented except that, at any meeting of the Noteholders of any Class or Classes or persons present holding voting certificates or being proxies for passing an Extraordinary Resolution relating to a Basic Terms Modification, the necessary quorum shall be one or more persons present holding Notes of such Class or voting certificates in respect thereof or being proxies representing not less than 75 per cent., or at any adjourned such meeting, not less than 33 1/3 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class or Classes so held or represented.

Written notice of any Basic Terms Modification shall be provided to the Irish Stock Exchange.

(c) An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, irrespective of its effect upon them except an Extraordinary Resolution to sanction a modification (including a Basic Terms Modification) or a waiver or authorisation of any breach or proposed breach of any of the provisions of, the Trust Deed, these Conditions or any of the other Transaction Documents, shall not take effect unless such modification, waiver or authorisation shall have been sanctioned by an Extraordinary Resolution of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders or the Note Trustee is of the opinion, in its sole discretion, that it would not

be materially prejudicial to the respective interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders.

(d) An Extraordinary Resolution of the Class B Noteholders (other than as referred to in paragraph (c) above) shall not be effective for any purpose unless:

(i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders (and for greater certainty, an Extraordinary Resolution (other than as referred to in paragraph (c) above) relating to a Basic Terms Modification shall be materially prejudicial to the interests of the Class A Noteholders); or

(ii) in the case of the Class A Notes, it is sanctioned by an Extraordinary Resolution of the Class A Noteholders; or

(iii) none of the Class A Notes remains outstanding.

An Extraordinary Resolution passed at any meeting of the Class B Noteholders, which is effective in accordance with this paragraph (d), shall be binding on all the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, irrespective of its effect upon them except an Extraordinary Resolution to sanction a modification (including a Basic Terms Modification) or a waiver or authorisation of any breach or proposed breach of any of the provisions of, the Trust Deed, these Conditions or any of the other Transaction Documents, shall not take effect unless such modification, waiver or authorisation shall have been sanctioned by an Extraordinary Resolution of the Class C Noteholders, the Class D Noteholders and the Class E Noteholders or the Note Trustee is of the opinion, in its sole discretion, that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders and the Class E Noteholders.

(e) An Extraordinary Resolution of the Class C Noteholders (other than as referred to in paragraphs (c) or (d) above) shall not be effective for any purpose unless:

(i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders and the Class B Noteholders (and for greater certainty, an Extraordinary Resolution (other than as referred to in paragraphs (b) and (c) above) relating to a Basic Terms Modification shall be materially prejudicial to the interests of the Class A Noteholders and the Class B Noteholders); or

(ii) in the case of the Class A Notes and the Class B Notes, it is sanctioned by an Extraordinary Resolution of the Class A Noteholders and the Class B Noteholders; or

(iii) none of the Class A Notes and the Class B Notes remains outstanding.

An Extraordinary Resolution passed at any meeting of the Class C Noteholders, which is effective in accordance with this paragraph (e), shall be binding on all the Class D Noteholders and the Class E Noteholders, irrespective of its effect upon them except an Extraordinary Resolution to sanction a modification (including a Basic Terms Modification) or a waiver or authorisation of any breach or proposed breach of any of the provisions of, the Trust Deed, these Conditions or any of the other Transaction Documents, shall not take effect unless such modification, waiver or authorisation shall have been sanctioned by an Extraordinary Resolution of the Class D Noteholders and the Class E

Noteholders or the Note Trustee is of the opinion, in its sole discretion, that it would not be materially prejudicial to the respective interests of the Class D Noteholders and the Class E Noteholders.

(f) An Extraordinary Resolution of the Class D Noteholders (other than as referred to in paragraphs (c), (d) or (e) above) shall not be effective for any purpose unless:

(i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders (and for greater certainty, an Extraordinary Resolution (other than as referred to in paragraphs (c), (d) or (e) above) relating to a Basic Terms Modification shall be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders); or

(ii) in the case of the Class A Notes, the Class B Notes and the Class C Notes, it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders; or

(iii) none of the Class A Notes, the Class B Notes and the Class C Notes remains outstanding.

An Extraordinary Resolution passed at any meeting of the Class D Noteholders, which is effective in accordance with this paragraph (f), shall be binding on all the Class E Noteholders, irrespective of its effect upon them except an Extraordinary Resolution to sanction a modification (including a Basic Terms Modification) or a waiver or authorisation of any breach or proposed breach of any of the provisions of, the Trust Deed, these Conditions or any of the other Transaction Documents, shall not take effect unless such modification, waiver or authorisation shall have been sanctioned by an Extraordinary Resolution of the Class E Noteholders or the Note Trustee is of the opinion, in its sole discretion, that it would not be materially prejudicial to the respective interests of the Class E Noteholders.

(g) An Extraordinary Resolution of the Class E Noteholders (other than as referred to in paragraphs (c), (d), (e) or (f) above) shall not be effective for any purpose unless:

(i) the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (and for greater certainty, an Extraordinary Resolution (other than as referred to in paragraphs (c), (d), (e) or (f) above) relating to a Basic Terms Modification shall be materially prejudicial to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders); or

(ii) in the case of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders; or

(iii) none of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes remains outstanding.

Affiliate means

(a) in connection with the Borrower, any company or other entity of which the Borrower is a Subsidiary, any other company or entity which is a Subsidiary of that company or entity and any Subsidiary of the Borrower; or

(b) in relation to any other person, a Subsidiary of that person or any company or entity of which that other person is a Subsidiary (the **Holding Company**) and any other Subsidiary of that holding company.

Basic Terms Modification means, in respect of a Class of Notes:

(a) a change to or modification of the amount payable (or the method of calculating the amount payable), the date of payment (or the method of calculating the date of payment) or the date of final maturity, in each case, in respect of any principal or interest in respect of such Notes;

(b) an alteration of the currency in which payments under such Notes and the Coupons appertaining thereto are to be made;

(c) an alteration of the quorum or majority required to pass an Extraordinary Resolution;

(d) the sanctioning of any such scheme or proposal in respect of such Notes as is described in paragraph 4.1(i) of Schedule 3 to the Trust Deed (Provisions for Meeting of Noteholders);

(e) an alteration of this definition or the provisos to paragraphs 3.1 and/or 3.2 of Schedule 3 to the Trust Deed (Provisions for Meeting of Noteholders);

(f) an alteration of the Pre-Enforcement Interest Priority of Payments or the Post-Enforcement Priority of Payments; and

(g) an alteration of the Issuer Secured Assets or amendment to any of the documents relating to the Issuer Secured Assets or any other provision of the Issuer Security including any alteration which would have, the effect of releasing or modifying the order of priorities in relation to the realisation of, the Issuer Security (or any part thereof).

Extraordinary Resolution means (i) a resolution passed at a meeting of any Class of Noteholders duly convened and held in accordance with the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting at that meeting upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three fourths of the votes cast on such poll or (ii) a resolution in writing signed by or on behalf of not less than 90 per cent. in aggregate of the Principal Amount Outstanding of the Noteholders which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders and shall be as valid, effective and binding as a resolution duly passed at such a meeting (and for the purposes of Conditions 4.2 and 4.3, any Notes held by, for the benefit of or on behalf of the Borrower and/or any one or more of its Affiliates will not be included in the quorum for voting purposes).

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

(a) The Note Trustee may agree, without the consent of the Noteholders of any Class, (i) to any modification (except a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions, the Trust Deed or any of the other Transaction Documents, which is not, in the opinion of the Note Trustee, materially prejudicial to the

interests of the Noteholders of any Class or (ii) to any modification of these Conditions or any of the Transaction Documents, which, in the Note Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Note Trustee, proven, **provided always** that the Note Trustee shall not exercise such powers of waiver, authorisation or determination in contravention of any express written direction given by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes (other than the Class X Noteholder) then outstanding or by an Extraordinary Resolution of the Most Senior Class of Noteholders then outstanding (other than the Class X Noteholder) (provided that no such direction or restriction shall affect any authorisation, waiver or determination previously made or given). The Note Trustee may also, without the consent of the Noteholders, determine that a Note Event of Default shall, shall not, or shall not subject to specified conditions (as the case may be), be treated as such. 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 to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

(b) 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 or, as the case may be, the Noteholders of any Class, it shall have regard to the interests of such Noteholders as a Class and, in particular, but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Note Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(c) The Note Trustee shall be entitled to assume without further enquiry, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Trust Deed, these Conditions or any of the other Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders or any Class of Noteholders if the Rating Agencies have provided written confirmation that the then current ratings of the Notes or, as the case may be, the Notes of such Class will not be downgraded, withdrawn or qualified as a result of such exercise.

(d) The Note Trustee may agree, without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed and the Notes, subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer (unless all or substantially all of the assets of the Issuer are transferred to such body corporate), (ii) such body corporate being a single purpose vehicle and undertaking itself to be bound by provisions corresponding to those set out in these Conditions, (iii) the Note Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced thereby and (iv) certain other conditions set out in the Trust Deed being complied with (including the transfer of its obligations as the debtor in respect of the parallel debt undertaking set out in the Dutch law Issuer Security Agreement). Any such substitution shall be notified to the Noteholders, the Irish Stock Exchange and the Rating Agencies in accordance with Condition 15. In the case of any such substitution of the Issuer, the Note Trustee may in its absolute discretion agree, without the consent of the Noteholders, to a change of the laws governing the Notes and/or any of the

Transaction Documents provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders. No such substitution shall take effect unless it applies to all the Notes then outstanding. In the case of any such substitution of the Issuer, a supplemental offering circular will be prepared and filed with the Irish Stock Exchange.

13. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE

(a) The Trust Deed and certain of the Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and providing for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Issuer Security or taking any other action in relation to the Trust Deed or the other Transaction Documents unless secured and/or indemnified to its satisfaction. The Note Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Secured Assets, 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 Transaction Documents or any agent or related company of any such party or by clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other persons whether or not on behalf of the Note Trustee.

(b) The Trust Deed and the Issuer Security Agreements contain provisions pursuant to which the Note Trustee or any of its related companies is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Issuer Secured Assets and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Issuer Secured Assets and/or any of their subsidiary or associated companies, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of the Noteholders or any other Issuer Secured Party (except as specified therein) and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

(c) The Trust Deed and the Issuer Security Agreements also relieve the Note Trustee of liability for not having made or not having caused to be made on its behalf the searches, investigations and enquiries which a prudent chargee would normally have been likely to make in entering into the Issuer Security Agreements and the Borrower Security Agreements. The Note Trustee has no responsibility in relation to the legality, validity, sufficiency, adequacy and enforceability of the Issuer Security or the Transaction Documents. The Note Trustee will not be obliged to take any action which might result in its incurring personal liabilities unless secured and/or indemnified to its satisfaction or to supervise the performance by the Servicer or Special Servicer (as the case may be) or any other person of their obligations under the Transaction Documents and the Note Trustee shall assume, until it has notice in writing to the contrary, that all such persons are properly performing their duties.

(d) The Trust Deed and certain of the other Transaction Documents contain other provisions limiting the responsibility, duties and liability of the Note Trustee.

(e) The Trust Deed contains provisions pursuant to which the Noteholders may by Extraordinary Resolution of the holders of each Class of Notes remove the Note Trustee. The retirement or removal of the Note Trustee will not become effective until a successor trustee is appointed. The Note Trustee is entitled to appoint a successor trustee in the circumstances specified in the Trust Deed.

14. REPLACEMENT OF THE NOTES

14.1 Definitive Notes and Coupons

If a Definitive Note, Receipt, Coupon or Talon is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent. Replacement thereof will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the relevant Paying Agent may reasonably require. If mutilated or defaced, the Definitive Note, Receipt, Coupon or Talon must be surrendered before a new one will be issued.

14.2 Global Notes

If a Global Note is lost, stolen, mutilated, defaced or destroyed, it shall, upon satisfactory evidence of such loss, theft, mutilation, defacement or destruction being given to the Issuer and the Note Trustee, become void and a duly executed and authenticated replacement Global Note will be delivered by the Issuer to the Common Safekeeper only upon surrender, in the case of mutilation or defacement, of the relevant Global Note. Replacement thereof will only be made upon payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Paying Agent may reasonably require.

15. NOTICE TO NOTEHOLDERS

(a) Any notice to the Noteholders shall be validly given if published on the Dutch website (www.assetbacked.nl) and notified in writing to the Irish Stock Exchange who will in turn release this notice via the Regulatory News Service. Any such notice published as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made. If publication is not practicable as is mentioned above, notice will be valid if given in such other manner, and shall be deemed to have been given on such date, as the Note Trustee shall determine.

(b) Whilst the Notes of any Class are represented by Global Notes notices to Noteholders may, at the option of the Issuer, be validly given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear for communication by them to Noteholders rather than by notification as required above provided that so long as the Notes (or any of them) are listed on the Irish Stock Exchange, the rules of the Irish Stock Exchange so allow. Any notice delivered to Clearstream, Luxembourg and/or Euroclear as aforesaid shall be deemed to have been given on the day on which it is delivered to Clearstream, Luxembourg or Euroclear.

(c) Any notice specifying a Notes Interest Payment Date, a Rate of Interest, a Class X Interest Rate, an Interest Payment, a Class X Interest Amount, Scheduled Amortisation Payments, Available Notes Redemption Amount or a Principal Amount Outstanding shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen or such other medium for the electronic display of data as may be previously approved in writing by the Note Trustee and notified to the Noteholders pursuant to Condition 15(a). Any such notice shall be deemed to have been given on the first date on which such information appeared on the relevant screen. If it is impossible or impractical to give notice in accordance with this paragraph then notice of the matters referred to in this paragraph shall be given in accordance with Condition 15(a).

(d) A copy of each notice given in accordance with this Condition 15 shall be provided to (for so long as the Notes of any Class are listed on the Irish Stock Exchange) the Company Announcements Office of the Irish Stock Exchange and to each of Fitch Ratings Ltd (**Fitch**), Moody's Investors Service Limited (**Moody's**) and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P** and, together with Fitch and Moody's, the **Rating Agencies**, which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer to provide a credit rating in respect of the Notes or any Class thereof. For the avoidance of doubt, and unless the context otherwise requires, all references to **rating** and **ratings** in these Conditions shall be deemed to be references to the ratings assigned by the Rating Agencies.

(e) The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes (or any of them) 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.

16. GOVERNING LAW

The Trust Deed, the Notes, the Receipts and the Coupons and the other Transaction Documents (other than the Liquidity Facility Agreement, the Issuer Swap Agreement, the Borrower Swap Agreements, the Servicing Agreement and the English law Issuer Security Agreement) are governed by, and will be construed in accordance with, Dutch law. The Liquidity Facility Agreement, the Issuer Swap Agreement, the Borrower Swap Agreements and the Servicing Agreement (and the aforementioned English law Issuer Servicing Agreement) will be governed by, and construed in accordance with, English law.

TAXATION IN THE NETHERLANDS

General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons, Talons and Receipts. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Note holder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on The Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of the Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address The Netherlands tax consequences of a Noteholder holdings a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001). Generally speaking, a Note holder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of five percent or more of the total issued capital of the Issuer or of five percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.

The Issuer has been advised that under the existing laws of The Netherlands:

(a) all payments by the Issuer under the Notes can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt as referred to in Article 10, paragraph 1 sub d of the Dutch Corporate Income Tax Act (Wet op de vennootschapsbelasting 1969);

(b) a holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Netherlands taxation on income or capital gains unless:

  (i) the holder is treated as resident in The Netherlands for the purpose of the relevant provisions; or

  (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in The Netherlands; or

  (iii) the holder is an individual and such income or gain qualifies as income from miscellaneous activities (belastbaar resultaat uit overige werkzaamheden) in The Netherlands as defined in section 3.4 of the Dutch Income Tax Act 2001;

(c) Netherlands gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death, of a Noteholder, unless:

  (i) the Noteholder is, or is deemed to be, a resident of The Netherlands for the purpose of the Netherlands gift and inheritance tax (Successiewet 1956); or

(ii) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(iii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in The Netherlands;

(d) there is no Netherlands registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes;

(e) there is no Netherlands value added tax payable in respect of payments in consideration for the issue of a Note or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and

(f) a holder of a Note will not have a permanent establishment, or be deemed to have a permanent establishment, in The Netherlands by reason only of the holding of a Note or the execution, performance delivery and/or enforcement of a Note.

European Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States of the European Union (the Member States and each a Member State) are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

SUBSCRIPTION AND SALE

NIBC Bank N.V. and Société Générale (the **Bookrunners**) have, pursuant to a Notes Purchase Agreement dated on or prior to the Closing Date (the **Notes Purchase Agreement**), between the Bookrunners and the Issuer, agreed, subject to certain conditions, to subscribe and pay for the Class A Notes at 100 per cent. of the initial principal amount of such Notes, the Class X Note at 100 per cent. of the initial principal amount of such Notes, the Class B Notes at 100 per cent. of the initial principal amount of such Notes, the Class C Notes at 100 per cent. of the initial principal amount of such Notes, the Class D Notes at 100 per cent. of the initial principal amount of such Notes and the Class E Notes at 100 per cent. of the initial principal amount of such Notes.

The Notes Purchase Agreement is subject to a number of conditions and may be terminated by the Bookrunners in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify the Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

United States of America

The Bookrunners have represented and agreed with the Issuer that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Each of the Bookrunners has agreed that, except as permitted by the Notes Purchase Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (for the purposes only of this section *Subscription and Sale*, the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. Persons and that it will have sent to each distributor, dealer or other person to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer, whether or not participating in the offering, may violate the registration requirements of the Securities Act.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

United Kingdom

Each of the Bookrunners has represented and agreed that except as permitted by the Notes Purchase Agreement:

(a) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

Ireland

Each of the Bookrunners has represented and agreed that (i) from the date on which the Prospectus Directive is implemented in Ireland, in respect of a local offer (within the meaning of section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland) of Notes in Ireland, it has complied and will comply with section 49 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland and (ii) at all times:

(a) it has complied and will comply with all applicable provisions of the Investment Intermediaries Acts, 1995 to 2000 of Ireland (as amended) with respect to anything done by it in relation to the Notes or operating in, or otherwise involving, Ireland and, in the case of the Bookrunners acting under and within the terms of an authorisation to do so for the purposes of EU Council Directive 93/22/EEC of 10 May 1993 (as amended or extended), it has complied with any codes of conduct made under the Investment Intermediaries Acts 1995 to 2000, of Ireland (as amended) and, in the case of the Bookrunners acting within the terms of an authorisation granted to it for the purposes of EU Council Directive 2000/12/EC of 20 March 2000 (as amended or extended), it has complied with any codes of conduct or practice made under section 117(1) of the Central Bank Act, 1989 of Ireland (as amended); and

(b) it has only issued or passed on, and it will only issue or pass on, in Ireland or elsewhere, any document received by it in connection with the issue of the Notes to persons who are persons to whom the document may otherwise lawfully be issued or passed on.

The Netherlands

The Class X Note (including rights representing an interest in a Note in global form) may not be offered, sold, transferred or delivered as part of their initial distribution or at any time thereafter, directly or indirectly, to individuals or legal entities who are established, domiciled or have their residence in The Netherlands other than to individuals or legal entities who are considered as professional market parties pursuant to Netherlands banking regulations (*Vrijistellingsregeling Wtk 1992*) provided they acquire the Class X Note for their own account and trade or invest in securities in the conduct of a business or profession.

The Class X Note in global or definitive form will bear a legend substantially to the following effect:

"Any person who holds (a beneficial interest in) this obligation, who is resident in the Netherlands, shall be deemed to have represented and agreed that it is a professional market party as defined in section 1 sub e of the Exemption Regulation pursuant to the Netherlands Banking Act (*Vrijstellingsregeling Wtk 1992*)".

France

Each of the Bookrunners and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Germany

Each of the Bookrunners has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act (*Wertpapierpropektgesetz*), as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities and no selling prospectus (*Prospekt*) within the meaning of the German Securities Prospectus Act has been or will be registered or published within the Federal Republic of Germany.

Spain

The Notes may not be offered or sold in Spain by means of a public offer as defined and construed in Chapter 1 of Title III of Law 24/1988, of 28 July, on the Securities Act (as amended by Royal Decree Law 5/2005, of 11 March) and related legislation.

This Offering Circular has not been registered with the CNMV and therefore it is not intended for any public offer of the Notes in Spain.

Belgium

The offering circular and related documents are not intended to constitute a public offer in Belgium and may not be distributed to the Belgian public. The Belgian Commission for Banking, Finance and Insurance has not reviewed nor approved this Offering Circular or commented as to its accuracy or adequacy or recommended or endorsed the purchase of Notes.

Each of the Bookrunners has represented and agreed that it will not:

(a) offer for sale, sell or market in Belgium such Notes by means of a public offer within the meaning of the Law of 22nd April, 2003 on the public offer of securities; or

(b) sell Notes to any person qualifying as a consumer within the meaning of Article 1.7° of the Belgian law of 14th July, 1991 on consumer protection and trade practices unless such sale is made in compliance with this law and its implementing regulation.

General

Other than the Application made to the IFSRA as competent authority under Directive 2003/71/EC for this Offering Circular to be approved as a Prospectus and the application to the Irish Stock Exchange for the Notes (other than the Class X Note) to be admitted to the Official List and trading on its regulated market, 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.

Each Bookrunner has undertaken not to offer or sell any of the Notes, or to distribute this Offering Circular or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with applicable law and regulations.

GENERAL INFORMATION

The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 12 April 2007.

It is expected that listing of the Notes (other than the Class X Note) on the Official List of the Irish Stock Exchange will be granted on or about the Closing Date, subject only to the issue of the Global Notes. The listing of the Notes will be cancelled if the Global Notes are not issued. Transactions conducted through the Irish Stock Exchange will normally be effected for settlement in euro and for delivery on the third working day after the day of the transaction.

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

Class of Notes	**Common Code**	**ISIN**
Class A	028981988	XS0289819889
Class X	028983069	XS0289830696
Class B	028982267	XS0289822677
Class C	028982356	XS0289823568
Class D	028982453	XS0289824533
Class E	028982488	XS0289824889

No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as any of the Notes are listed on the Official List of the Irish Stock Exchange, the most recently published audited annual accounts of the Issuer and the most recent annual audited accounts of the Borrowers from time to time will be available at the specified offices of the Irish Paying Agent in Dublin and at the registered office of the Issuer. The Issuer does not publish interim accounts.

The Issuer is not, and has not been, involved in any legal, arbitration or governmental 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.

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

PricewaterhouseCoopers, auditor of the Issuer (the accountants of which are members of the Royal Netherlands Institute for Registered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*)), has given and not withdrawn its written consent to the inclusion of its audit report and references to its name in the form and

context in which they are included and has authorised the contents of that part of this Offering Circular for the purposes of Annex item 9.1 of Commission Regulation (EC) No. 809/2004 and section 45 of the Investment Funds, Companies & Miscellaneous Provisions Act, 2005. The auditors' letter of consent states that their consent is required by these provisions and is given solely for the purpose of complying with these provisions and for no other purpose.

KPMG, auditor of the Berlin Borrower (the accountants of which are members of the Royal Netherlands Institute for Registered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*)), has given and not withdrawn its written consent to the inclusion of its audit report and references to its name in the form and context in which they are included and has authorised the contents of that part of this Offering Circular for the purposes of Annex item 9.1 of Commission Regulation (EC) No. 809/2004 and section 45 of the Investment Funds, Companies & Miscellaneous Provisions Act, 2005. The auditors' letter of consent states that their consent is required by these provisions and is given solely for the purpose of complying with these provisions and for no other purpose.

There has been (a) no material adverse change in the financial position or prospects of the Berlin Borrower since the date of its last published audited financial statements.

The Dutch Offices I Valuer, Dutch Offices II Valuer and the Schiphol Valuer is DTZ Zadelhoff, Valuation Department, Maliebaan 50B, 3581CS Utrecht, The Netherlands, tel: +31 (0)30 2524545. The valuers of DTZ Zadelhoff are members of Stichting VastgoedCert in Rotterdam and RICS (the Royal Institute of Chartered Surveyors).

The Sparkasse Valuer is Dipl.-Ing Richard Valter, Hauptstrasse 21, 52372 Kreuzau, Germany, tel: +49 (0)2422 94040. The valuers of Dipl.-Ing Richard Valter are appointed and sworn by the Aachen Chamber of Commerce and Industry for Developed and Undeveloped Land.

The Tommy Valuer is Schmidt & Partner, Poststrasse 8, 44137 Dortmund, Germany, tel: +49 (0)231 9451 9971. The valuer of Schmidt & Partner is an appointed and sworn Valuer by the chamber of architects (*Öffentlich bestellter und vereidigter Sachverständiger für die Bewertung von bebauten und unbebauten Grundstücken der Architektenkammer Nordrhein-Westfalen*), a certified valuer in accordance with the European standards (*Zertifizierter Sachverständiger gemäß den europäischen Normen*) DIN EN 45013, DIN EN ISO/IEC 17024, a certified expert for financial economic purposes (*Zertifizierter Sachverständiger für finanzwirtschaftliche Zwecke*) CIS HypZert (F), an associate member of the Appraisal Institute / Chicago and a Real Estate Economist (*Immobilienökonom (ebs)*) of the European Business School.

The Berlin Valuer and the Derrick Valuer is Sachverständigenbüro Dipl.-Volkswirt Walter Finger, Scharfestrasse 17, 14169 Berlin, Germany, tel: +49 (0)30 8155327. The valuer of Sachverständigenbüro Dipl.-Volkswirt Walter Finger is an appointed and sworn valuer by IHK Berlin (Berlin Chamber of Commerce and Industry) and a member of the Committee of Valuation Experts in Berlin.

The TOR Valuer is DTZ Zadelhoff Tie Leung GmbH, Eschersheimer Landstraße 6, D-60322 Frankfurt (M), Germany, tel: +49 (69) 92 100 0. The valuers of DTZ Zadelhoff Tie Leung GmbH are certified members of HypZert Berlin (certification for Mortgage Lending Value) and RICS (the Royal Institute of Chartered Surveyors).

The NRW Valuer is BDO Deutsche Warentreuhand AG, Wirtschaftsprüfungsgesellschaft, Kurfürstendamm 182-183, 10707 Berlin, Germany, tel: +49 (0) 30 88 57 22 0. The valuer of BDO Deutsche Warentreuhand is a

Certified Building Engineer (*Diplom-Bauingenieur*), an expert for Real Estate Valuation (*Sachverständige für Immobilienbewertung*) and a Real Estate Economist (*Immobilienökonom (ebs)*).

Each valuer has given and not withdrawn its written consent to the inclusion of its valuation report and references to its name in the form and context in which they are included and has authorised the contents of that part of this Offering Circular for the purposes of Annex item 9.1 of Commission Regulation (EC) No. 809/2004 and section 45 of the Investment Funds, Companies & Miscellaneous Provisions Act, 2005. Each valuer's letter of consent states that his consent is required by these provisions and is given solely for the purpose of complying with these provisions and for no other purpose.

Save as disclosed herein, since the date of incorporation of the Issuer, there has been (a) no material adverse change in the financial position or prospects of the Issuer and (b) no significant change in the trading or financial position of the Issuer.

Since the date of incorporation, the Issuer has not commenced operations (other than as disclosed in this Offering Circular) and no financial statements have been prepared as at the date of this Offering Circular.

The Issuer will prepare post-issuance investor reports which will be published on a quarterly basis and made available to investors on the www.assetbacked.nl website. The post-issuance investor reports contain, among other things, quarterly updated information on the Notes, the Liquidity Facility and on the Portfolio including information on arrears, losses and occupancy.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-121- Brussels, Belgium.

Arthur Cox Listing Services Limited has been appointed by the Issuer to act as its listing agent and as such is not seeking admission to listing of the Notes on the Irish Stock Exchange for the purposes of the Prospectus Directive on its own behalf, but as an agent on behalf of the Issuer.

Copies of the following documents may be physically inspected during usual business hours on any week day (excluding Saturdays, Sundays, and public holidays) at the offices of the Irish Paying Agent at 25 Eden Quay, Dublin 1, Ireland and at the registered office of the Issuer for so long as the Notes (or any of them) are listed on the Irish Stock Exchange from the date of this Offering Circular:

(a) the articles of association of the Issuer,

(b) the articles of association of the Berlin Borrower;

(c) the balance sheet of the Issuer as at 18 April 2007 and the accountants' letter in respect thereof;

(d) the audited last two year financials of the Berlin Borrower as at 16 February 2007 and the accountants' letter in respect thereof;

(e) drafts (subject to modification) of the following documents:

  (i) the Trust Deed;

  (ii) the Issuer Level Dutch Security Agreement;

  (iii) the Issuer Level English Law Security Agreement;

(iv) the Issuer Level Manx Law Security Agreement;

(v) the Borrower Level English Law Security Agreement;

(vi) the Borrower Level Manx Law Security Agreement;

(vii) the Assignment of German Non-Accessory Security;

(viii) the Fiduciary Assignment of German Non-Accessory Security;

(ix) the Dutch Loan Transfer Agreement;

(x) the English Loan Transfer Agreement;

(xi) the Servicing Agreement;

(xii) the Issuer Account Bank Agreement;

(xiii) the Issuer Management Agreement;

(xiv) the Trustee Management Agreement;

(xv) the Liquidity Facility Agreement;

(xvi) the Agency Agreement;

(xvii) the Irish Paying Agency Agreement;

(xviii) the Issuer Swap Agreement;

(xix) the Borrower Swap Agreements;

(xx) the Borrower/Issuer Contingent Assignment and Assumption Deeds;

(xxi) the Borrower/Issuer Guarantee;

(xxii) the Borrower/Issuer Indemnity; and

(xxiii) the Master Definitions Schedule,

(which together with the Notes Purchase Agreement are referred to as the **Transaction Documents**); and

(f) the Payments Report and the Investor Report.

INDEX OF DEFINED TERMS

APPENDIX A – BERLIN BORROWER FINANCIALS

Muldershof XVIII B.V.

Report on the 2005 financial statements

Contents

i

Balance sheet as at 31 December 2005

(before profit appropriation)

		2005		2004	
		EUR	EUR	EUR	EUR
Fixed assets					
Financial fixed assets		-		62.525	
			-		62.525
Current assets					
Trade and other receivables	1	64.159		11	
Cash and cash equivalents	2	7		193	
			64.166		204
			64.166		62.729
Shareholders' equity	3				
Issued capital		45.378		45.378	
Other reserves		16.609		15.230	
Retained earnings		1.547		1.379	
			63.534		61.987
Current liabilities			632		742
			64.166		62.729

KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes:
KPMG Accountants N.V.

Income statement
For the year ended 31 December 2005

		2005		2004	
		EUR	EUR	EUR	EUR
Operating income			-		-
Other operating expenses		183		183	
Total operating expenses			183		183
Operating result			-183		-183
Other interest receivable and similar income	4	2.363		2.303	
Interest payable and similar charges		-		-	
			2.363		2.303
Result on ordinary activities before taxation			2.179		2.120
Taxation on result on normal operations			632		741
Result after tax			1.547		1.379

KPMG

KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes
KPMG Accountants N.V.

Notes to the 2005 financial statements

Accounting policies

Basis of preparation

Basis of measurement

The principles adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention.

Financial fixed assets

The loan is stated at nominal value less any provisions deemed necessary.

Accounts receivable

Accounts receivable is stated at nominal value less a provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivable.

Revenue accounting

Revenue is recognised only if it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

Taxes

Up to 31 December 2005 Muldershof XVIII B.V. constitutes a tax entity together with a group of companies. The corporate tax is stated for each company according to the portion for which the company involved would be assessed if it were an independent taxpayer, taking account of any tax relief facilities available to the company.

1 Trade and other receivables

Receivables of EUR 64.159 are due within one year.

2 Cash and cash equivalents

	2005 EUR	2004 EUR
Bank balances	7	193

The liquid assets are available on demand.

3 Shareholders' equity

	Issued capital EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance as at 1 Jan. 2005	45.370	15.320	1.319	61.987
Changes:				
• Retained earnings	-	1.319	-1.319	-
• Result financial year	-	-	1.547	1.547
Balance as at 31 Dec. 2005	45.370	16.639	1.547	63.534

Issued capital

The authorised capital of Muldershof XVIII B.V. amounts to EUR 158.823 (2004: EUR 158.823) and compromised 350 ordinary shares of EUR 453,78 each. 100 ordinary shares have been issued.

Retained earnings

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2005 profit after tax: an amount of EUR 1.547 to be added to the other reserves.

Off-balance sheet commitments

Tax entity

Muldershof XVIII B.V. constitutes a fiscal entity with a group of companies for corporate tax purposes; the standard conditions prescribe that all companies of the fiscal unity are liable for the corporate tax payable.

Financial obligations

On 30 December 2005 the company has committed itself to an investment of EUR 147 million (exclusive of purchaser's costs) concerning the purchase of properties, consisting of 3.858 apartments and 2.203 m² commercial floor area, located at the district Marzahn in Berlin.

Staff

During the 2005 financial year, the company had no employees.

4 Other interest receivable and similar income

	2005 EUR	2004 EUR
Interest receivable from group companies	2.362	2.302
Other	-	1
	2.362	2.303

Rijssen, 16 February 2007

The Management

M.R. Bouwens

D. Wessels

KPMG

KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes
KPMG Accountants N.V.

6

Other information

Provisions in the articles of association governing the appropriation of profit

According to article 14 of the company's articles of association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds.

The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Proposal for profit appropriation

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2005 profit after tax: an amount of EUR 1.547 to be added to the other reserves. The result after taxes for 2005 is included under the retained earnings item in the shareholders' equity.

Muldershof XVIII B.V.

Auditors' report

Report on the financial statements

We have audited the accompanying financial statements 2005 of Muldershof XVIII B.V., Rijssen, which comprise the balance sheet as at 31 December 2005, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes:
KPMG Accountants N.V.

8

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Muldershof XVIII B.V. as at 31 December 2005, of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Enschede, 16 February 2007

KPMG ACCOUNTANTS N.V.

M.J. Heideman RA

KPMG

KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes:
KPMG Accountants N.V.

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Muldershof XVIII B.V.

Report on the 2004 financial statements

Contents

Balance sheet as at 31 December 2004

(before profit appropriation)

		2004		2003	
		EUR	EUR	EUR	EUR
Fixed assets					
Financial fixed assets	1	62.525		61.013	
			62.525		61.013
Current assets					
Trade and other receivables		11		7	
Cash and cash equivalents	2	193		377	
			204		384
			62.729		61.397
Shareholders' equity	3				
Issued capital		45.378		45.378	
Other reserves		15.230		13.767	
Retained earnings		1.379		1.463	
			61.987		60.608
Current liabilities			742		789
			62.729		61.397

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Document to which our auditors' report of

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KPMG Accountants N.V.

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Income statement
For the year ended 31 December 2004

		2004		2003	
		EUR	EUR	EUR	EUR
Operating income			-		-
Other operating expenses		183		178	
Total operating expenses			183		178
Operating result			-183		-178
Other interest receivable and similar income	4	2.303		2.430	
Interest payable and similar charges		-		-	
			2.303		2.430
Result on ordinary activities before taxation			2.120		2.252
Taxation on result on normal operations			741		789
Result after tax			1.379		1.463

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KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes
KPMG Accountants N.V.

3

Notes to the 2004 financial statements

Accounting policies

Basis of preparation

Basis of measurement

The principles adopted for the valuation of assets and liabilities and determination of the result are based on the historical cost convention.

Financial fixed assets

The loan is stated at nominal value less any provisions deemed necessary.

Accounts receivable

Accounts receivable is stated at nominal value less a provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivable.

Revenue accounting

Revenue is recognised only if it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

Taxes

Muldershof XVIII B.V. constitutes a tax entity together with a group of companies. The corporate tax is stated for each company according to the portion for which the company involved would be assessed if it were an independent taxpayer, taking account of any tax relief facilities available to the company.

1 Financial fixed assets

Receivables from shareholders

Receivables from shareholders includes an amount of EUR 62.525 not due within one year.

2 Cash and cash equivalents

	2004 EUR	2003 EUR
Bank balances	193	377
	193	377

The liquid assets are available on demand.

3 Shareholders' equity

	Issued capital EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance as at 1 Jan. 2003	45.378	13.787	1.463	60.628
Changes:				
• Retained earnings	-	1.463	-1.463	-
• Result financial year	-	-	1.359	1.359
Balance as at 31 Dec. 2003	45.378	15.250	1.359	61.987

Issued capital

The authorised capital of Muldershof XVIII B.V. amounts to EUR 158.823 (2004: EUR 158.823) and compromised 350 ordinary shares of EUR 453,78 each. 100 ordinary shares have been issued.

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KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes:
KPMG Accountants N.V.

Retained earnings

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2005 profit after tax: an amount of EUR 1.379 to be added to the other reserves.

Off-balance sheet commitments

Tax entity

Muldershof XVIII B.V. constitutes a fiscal entity with a group of companies for corporate tax purposes; the standard conditions prescribe that all companies of the fiscal unity are liable for the corporate tax payable.

Staff

During the 2004 financial year, the company had no employees.

4 Other interest receivable and similar income

	2004 EUR	2003 EUR
Interest receivable from group companies	2.302	2.428
Other	1	2
	2.303	2.430

Rijssen, 16 February 2007

The Management

M.R. Bouwens

D. Wessels

KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes
KPMG Accountants N.V.

6

Other information

Provisions in the articles of association governing the appropriation of profit

According to article 14 of the company's articles of association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds.

The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Proposal for profit appropriation

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2005 profit after tax: an amount of EUR 1.379 to be added to the other reserves. The result after taxes for 2005 is included under the retained earnings item in the shareholders' equity.

Muldershof XVIII B.V.

Auditors' report

Report on the financial statements

We have audited the accompanying financial statements 2004 of Muldershof XVIII B.V., Rijssen, which comprise the balance sheet as at 31 December 2004, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

KPMG Audit
Document to which our auditors' report of

16 FEB 2007

also refers.
Initials for identification purposes:
KPMG Accountants N.V.

8

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Muldershof XVIII B.V. as at 31 December 2004, of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Enschede, 16 February 2007

KPMG ACCOUNTANTS N.V.

M.J. Heideman RA

APPENDIX B

VALUATION DUTCH OFFICES II

DTZ Zadelhoff

PROPERTY VALUATION REPORT

Private and Confidential

MESDAG (Charlie) B.V.
Fred. Roeskestraat 123
1076 WE Amsterdam

Stichting Note Trustee MESDAG (Charlie)
Fred. Roeskestraat 123
1076 WE Amsterdam

NIBC Bank NV
Carnegieplein 4
2517 KJ 's-Gravenhage

Vastgoedfonds MPC Holland 61 C.V.
Utrechtseweg 47
1213 TL Hilversum

01 November 2006

MPC 61
PORTFOLIO OF 3 OFFICE BUILDINGS

1. Terms of Reference

1.1. In accordance with instructions received from you, we have appraised three office buildings in order to provide advice upon value as detailed below and for the purposes of inclusion of this report and valuation in relation to notes to be issued by MESDAG (Charlie) B.V.

1.2. The properties, which are the subject of this report, comprise of three office buildings currently owned and operated by subsidiaries of the Company or its affiliates. All objects are freehold.

1.3. Our valuation has been prepared in accordance with the Practice Statements contained in the International Valuation Standards 2005 (7th edition) published by the International Valuation Standards Committee in 2005 (IVS 2005). The extent of our investigation [and the sources of information on which we have relied] is described below and in the Valuation Procedure and Assumptions attached.

DTZ Zadelhoff, Valuation Department, Maliebaan 50B - 3581 CS Utrecht, P.O. Box 85064 - 3508 AB Utrecht
Tel. +31 30 2 524 545 Fax: +31 30 2 332 897, Internet: www.dtz.nl, E-mail: taxaties@dtz.nl

Amsterdam Arnhem Breda Den Haag Eindhoven Enschede Groningen 's-Hertogenbosch Hoofddorp Rotterdam Utrecht Zwolle.

DTZ Zadelhoff

1.4. The valuation has been prepared by appropriate valuers who are registered by 'VastgoedCert' in Rotterdam and conforms to the requirements as set out in IVS 2005, acting in the capacity of external valuer as defined in Code of Conduct 3.5 of IVS 2005 qualified for the purpose of this valuation.

2. **Material Considerations**

2.1. Full valuation reports are available. These reports identify the properties by reference number and address. It also provides a summary detail upon amongst others tenure, gross and sales area, rent to be paid under the lease and the assessed Market Value.

3. **Information**

The Company has informed us that the property is held as an investment. Our valuation is based on the information which the Company, its advisors, has supplied either to us or which we have obtained from our enquiries. We have relied on the information being correct and complete and on there being no undisclosed matters which would have affected our valuation. In the valuation summary per property, we made notice of deviations from the abovementioned information.

4. **Valuation**

4.1. Our valuation which is detailed below, comprises:

4.1.1. Market Value of freehold or long leasehold interest – (**"Market Value"**)

4.2. All our valuations are upon the basis of Market Value. This is an internationally recognized basis and is defined as: *"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

4.3. Our valuations, dated 1 November 2006, are detailed in the original reports that follow.

4.3.1. **Market Value (MV)**

Subject to the foregoing and with respect to the definitions and clauses we are of the opinion that the Market Value of the Company's subsidiaries' freehold interests in the Properties, as set out in the general survey, is the total value of:

DTZ Zadelhoff, Valuation Department, Maliebaan 50B - 3581 CS Utrecht, P.O. Box 85064 - 3508 AB Utrecht
Tel. +31 30 2 524 545 Fax: +31 30 2 332 897, Internet: www.dtz.nl, E-mail: taxaties@dtz.nl

Amsterdam Arnhem Breda Den Haag Eindhoven Enschede Groningen 's-Hertogenbosch Hoofddorp Rotterdam Utrecht Zwolle.

DTZ Zadelhoff

EUR	**31,700,000**
In words:	**thirty-one million seven hundred thousand euro with purchasing costs payable by the purchaser**

EUR	**8,410,000**
In words:	**eight million four hundred ten thousand euro with purchasing costs payable by the vendor**

Thus done to the best of its knowledge and expertise and signed on behalf of DTZ Zadelhoff v.o.f. on 10 November 2006:

F.G. van Hoeken MSc MRE MRICS RT
Sworn estate agent and registered property valuer, registered with Stichting Vastgoedcert in Rotterdam under number BV01.20.501.5.0251

G. Coffeng MSc RT
Sworn estate agent and registered property valuer, registered with Stichting Vastgoedcert in Rotterdam under number BV01.20.412.5.0083

DTZ Zadelhoff, Valuation Department, Maliebaan 50B - 3581 CS Utrecht, P.O. Box 85064 - 3508 AB Utrecht
Tel. +31 30 2 524 545 Fax: +31 30 2 332 897, Internet: www.dtz.nl, E-mail: taxaties@dtz.nl

Amsterdam Arnhem Breda Den Haag Eindhoven Enschede Groningen 's-Hertogenbosch Hoofddorp Rotterdam Utrecht Zwolle.

VALUATION DUTCH OFFICES I

DTZ Zadelhoff

PROPERTY VALUATION REPORT

Private and Confidential

MESDAG (Charlie) B.V.
Fred. Roeskestraat 123
1076 WE Amsterdam

Stichting Note Trustee MESDAG (Charlie)
Fred. Roeskestraat 123
1076 WE Amsterdam

NIBC Bank NV
Carnegieplein 4
2517 KJ 's-Gravenhage

Vastgoedfonds MPC Holland 55 C.V.
Utrechtseweg 47
1213 TL Hilversum

01 November 2006

MPC 55
PORTFOLIO OF 5 OFFICE BUILDINGS

1. Terms of Reference

1.1. In accordance with instructions received from you, we have appraised five office buildings in order to provide advice upon value as detailed below and for the purposes of inclusion of this report and valuation in relation to notes to be issued by MESDAG (Charlie) B.V.

1.2. The properties, which are the subject of this report, comprise of five office buildings currently owned and operated by subsidiaries of the Company or its affiliates. All objects are freehold.

1.3. Our valuation has been prepared in accordance with the Practice Statements contained in the International Valuation Standards 2005 (7th edition) published by the International Valuation Standards Committee in 2005 (IVS 2005). The extent of our investigation [and the sources of information on which we have relied] is described below and in the Valuation Procedure and Assumptions attached.

DTZ Zadelhoff, Valuation Department, Maliebaan 50B - 3581 CS Utrecht, P.O. Box 85064 - 3508 AB Utrecht
Tel. +31 30 2 524 545 Fax: +31 30 2 332 897, Internet: www.dtz.nl, E-mail: taxaties@dtz.nl

Amsterdam Arnhem Breda Den Haag Eindhoven Enschede Groningen 's-Hertogenbosch Hoofddorp Rotterdam Utrecht Zwolle.

DTZ Zadelhoff

1.4. The valuation has been prepared by appropriate valuers who are registered by 'VastgoedCert' in Rotterdam and conforms to the requirements as set out in IVS 2005, acting in the capacity of external valuer as defined in Code of Conduct 3.5 of IVS 2005 qualified for the purpose of this valuation.

2. **Material Considerations**

2.1. Full valuation reports are available. These reports identify the properties by reference number and address. It also provides a summary detail upon amongst others tenure, gross and sales area, rent to be paid under the lease and the assessed Market Value.

3. **Information**

The Company has informed us that the property is held as an investment. Our valuation is based on the information which the Company, its advisors, has supplied either to us or which we have obtained from our enquiries. We have relied on the information being correct and complete and on there being no undisclosed matters which would have affected our valuation. In the valuation summary per property, we made notice of deviations from the abovementioned information.

4. **Valuation**

4.1. Our valuation which is detailed below, comprises:

4.1.1. Market Value of freehold or long leasehold interest – ("**Market Value**")

4.2. All our valuations are upon the basis of Market Value. This is an internationally recognized basis and is defined as: *"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

4.3. Our valuations, dated 1 November 2006, are detailed in the original reports that follow.

4.3.1. **Market Value (MV)**

Subject to the foregoing and with respect to the definitions and clauses we are of the opinion that the Market Value of the Company's subsidiaries' freehold interests in the Properties, as set out in the general survey, is the total value of:

DTZ Zadelhoff, Valuation Department, Maliebaan 50B - 3581 CS Utrecht, P.O. Box 85064 - 3508 AB Utrecht
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Amsterdam Arnhem Breda Den Haag Eindhoven Enschede Groningen 's-Hertogenbosch Hoofddorp Rotterdam Utrecht Zwolle.

DTZ Zadelhoff

EUR **49,850,000**
In words: **forty million eight hundred fifty thousand euro with purchasing costs payable by the purchaser**

Thus done to the best of its knowledge and expertise and signed on behalf of DTZ Zadelhoff v.o.f. on 10 November 2006:

F.G. van Hoeken MSc MRE MRICS RT
Sworn estate agent and registered property valuer, registered with Stichting Vastgoedcert in Rotterdam under number BV01.20.501.5.0251

G. Coffeng MSc RT
Sworn estate agent and registered property valuer, registered with Stichting Vastgoedcert in Rotterdam under number BV01.20.412.5.0083

DTZ Zadelhoff, Valuation Department, Maliebaan 50B - 3581 CS Utrecht, P.O. Box 85084 - 3508 AB Utrecht
Tel. +31 30 2 524 545 Fax: +31 30 2 332 897, Internet: www.dtz.nl, E-mail: taxaties@dtz.nl

Amsterdam Arnhem Breda Den Haag Eindhoven Enschede Groningen 's-Hertogenbosch Hoofddorp Rotterdam Utrecht Zwolle.

VALUATION SPARKASSE

Dipl.-Ing. Richard Valter

Von der Industrie- und Handelskammer zu Aachen öffentlich bestellter und vereidigter Sachverständiger für die Bewertung von bebauten und unbebauten Grundstücken

MESDAG (Charlie) B.V.
Fred. Roeskestraat 123
1076 WE Amsterdam

Stichting Note Trustee MESDAG (Charlie)
Fred. Roeskestraat 123
1076 WE Amsterdam

NIBC Bank N.V.
Carnegieplein 4
2517 KJ - 's Gravenhage

Hauptstraße 21
52372 Kreuzau

Telefon: 02422 / 94040
Telefax: 02422 / 940419
Internet: www.vermessung-valter.de
eMail: info@vermessung-valter.de

Date: 16.11.2006
Az.: 06G105

Report and Valuation – Sparkassen Düren Portfolio
Objects in the District of Düren, NRW, Germany

1: Introduction

On behalf of IMG Vastgoed B.V. (original) and NIBC Bank N.V., MESDAG (Charlie) B.V. and Stichting Note Trustee MESDAG (Charlie) and in my capacity as a Valuer officially appointed and sworn in by the Aachen Chamber of Commerce and Industry for the Valuation of developed and undeveloped land, I valued twenty Sparkassen ("Savings-banks") buildings, of which many include one or more private residential units. IMG Vastgoed B.V. acquired the Sparkassen Düren portfolio in 2005 from the original owner, the "Sparkassen company". The Valuation was based on the fair–market value. The locations of the properties valued are listed in the appendix to this report.

The Portfolio comprised a total of:

20 Sparkassen buildings (commercial and residential units)

I determined the value of the buildings in line with the investment method (Ertragswert) and the real value (Sachwert) – the result is the fair-market value.

2. Inspection

The Portfolio was inspected in 2004/2005 and updated in Jan/Feb. 2006.

3. Compliance with Valuation standards and principles

I confirm that the valuation was conducted in accordance with the relevant valuation standard and principles, specifically the provisions of the German Building Code ("BauGB"), the Value Appraisal Order ("WertV") and the Value Appraisal Guidelines ("WertR"). The Valuation standards and principles applied essentially comply with those of The Royal Institute of Chartered Surveyors.

4. Status of valuation and conflicts of interest

I confirm that the valuation was conducted in accordance with my qualifications and hat I have no business relationships with the client or the seller that could result in a potential conflict of interests.

5. Purpose of valuation

This report and the appendix are designed to constitute part of a procedure intended for publication.

6. Basis of valuation

6.1 Fair-market-value

The portfolio has been valued in accordance with the provisions of the German Building Code. In compliance with § 194 of the German Building Code, the fair-market value of the properties has been determined on the basis of the price achievable at the time of the valuation in a normal business transaction, assuming the prevailing legal conditions and actual features and the state in other respects and location of the property, with no account being taken of any abnormal or personal relationships.

6.2 Taxes and costs

My valuation takes no account of any tax aspects. Similarly, no account has been taken of any purchase cost payable by the buyer.

7. Value-added tax

The valuation disregards any value-added tax payable.

8. Assumptions and sources of information

The assumptions and sources of information used are derived from documentation provided by the client and the owner.

8.1 Survey

The facts relevant to the valuation were obtained from the extracts from the property Register and Land Register made available to me. The charges registered in Section III of the Land Registry are not relevant for the valuation. The value is not affected to any meaningful extent by the charges registered in Section II of the land registry. Any Value affecting charge in section II, has been considered.

I have not surveyed the land for any liabilities dating back to the pre-unification period of relating to the soil´s hydrology or carrying load. The stated fair-market value should consequently be adjusted accordingly if specialists subsequently discover the existence of such liabilities.

8.2 Structural condition

The structural condition of the buildings can be regarded as normal for buildings of their age. There is no evidence of any maintenance backlog that would affect the value, nor has any structural damage been reported at the time of the valuation. In these circumstances, therefore, there is no evidence of any factors affecting the value that would need to be taken into account.

8.3 Construction and planning legislation

The properties are assumed to have been built in accordance with the provisions of the relevant construction and planning legislation.

8.4 Rental contracts

I have not verified whether individual rental contracts comply with the relevant legal provisions. This has, however, been assumed to be the case. The principle of freedom of contract applies in respect of business rental contracts.

9. Portfolio

The value of the portfolio is based on the sustainable proceeds that are generated by the properties and consequently relates to the individual residential units and office space available in the buildings.

10. Estimated Value

Given the assumptions and circumstances, the total value of the portfolio is estimated to be:

11.360.000,00 €

(in words: eleven million three hundred an sixty thousand euros)

Appendix to report and Valuation – Sparkassen Düren Portfolio

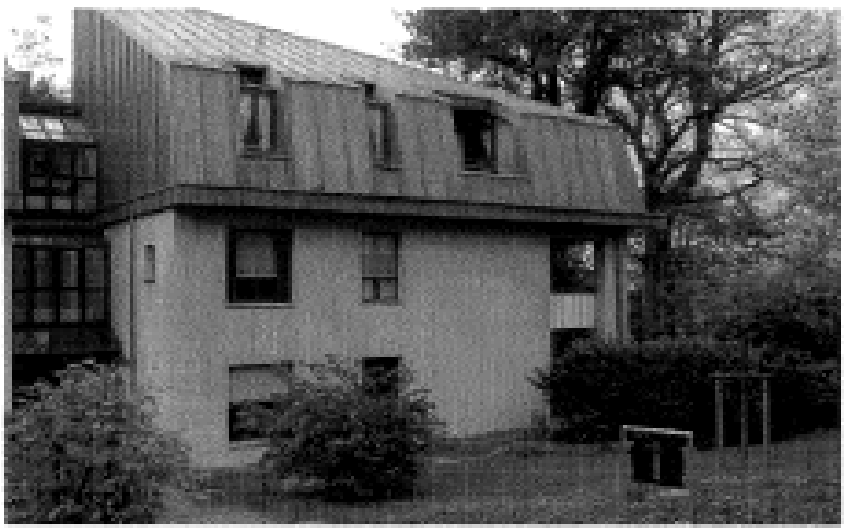
Nr. opinion	Commune/City	Address	Market Value
06G003	Aldenhoven	Alte Turmstraße	597.000,00 €
06G004	Niederzier	Breite Straße	381.000,00 €
06G005	Lendersdorf	Hauptstraße 78	440.000,00 €
06G006	Merzenich	Lindenplatz 6	515.000,00 €
06G007	Siersdorf	Marktstraße 15	418.000,00 €
06G008	Langerwehe	Hauptstraße 48-50	1.320.000,00 €
06G009	Arnoldsweiler	Arnoldusstraße 18, 20	324.000,00 €
06G010	Stockheim	Andreasstraße 30	526.000,00 €
06G011	Jülich-Heckfeld	An der Vogelstange 42	648.000,00 €
06G012	Birkesdorf	Nordstraße 7	630.000,00 €
06G013	Mariaweiler	Indestraße 12	437.000,00 €
06G014	Vettweiß	Gereonstraße 11	376.000,00 €
06G015	Jülich-Nord	Artilleriestraße 23-25	782.000,00 €
06G016	Merken	Peterstraße 53, 55	482.000,00 €
06G017	Düren-Nord	Neue Jülicher Straße 9	852.000,00 €
06G018	Heimbach	Hengebachstraße 6	420.000,00 €
06G019	Linnich	Bendenweg 1	1.090.000,00 €
06G020	Titz	Linnicher Straße 5	472.000,00 €
06G021	Rölsdorf	Monschauer Straße 116	376.000,00 €
06G022	Gey	Dürener Straße 44	274.000,00 €
		Total	11.360.000,00 €

Schmidt + Partner
Immobiliensachverständige
Betriebswirte + Ingenieure

Market valuation of a residential housing package

- Summary -

Client:	IMC Beheer B.V., MESDAC (Charlie) BV, Stichting Note Trustee MESDAG (Charlie) and NIBC Bank NV
Purpose of the order:	Examination of the market value
Description of the properties:	Residential housing package with 9 properties, in which there are residential buildings with 468 residential units (WE), 12 commercial units and 532 underground and outdoor car parking spaces- IWF I. Locations: Frankfurt-Rödelheim (35 WE), Munich (42 WE), Berlin-Köpenick (45 WE), Hanover / Rommenberg-Empelde (90 WE), Gelsenkirchen (50 WE), Hamburg-Altona (57 WE), Hamburg-Hamm (37 WE), Wuppertal (35 WE), Düsseldorf (57).
Use of the properties:	Residential, also office and retail use
Order date:	09/10/2006
Valuation date:	31/10/2006
Completion of research:	30/10/2006



Market value of the residential housing package	around 66.000,000.00 €

Schmidt + Partner
Immobiliensachverständige
Betriebswirte · Ingenieure

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Immobiliensachverständige
Betriebswirte + Ingenieure

1 Commissioning

IMG Beheer BV, represented by Mr Evert de Bock, MESDAG Charlie BV, Stichting Note Trustee MESDAG (Charlie) and NIBC Bank NV, commissioned the valuers Schmidt + Partner, Poststraße 8, 44137 Dortmund, in writing to prepare a market valuation for the residential housing package with locations in Gelsenkirchen, Munich, Berlin-Köpenick, Hamburg-Hamm, Hamburg-Altona, Ronnenberg-Empelde, Frankfurt-Rödelheim, Wuppertal and Düsseldorf.

2 Assumptions

The following assumptions were agreed for the valuation:

- The properties in Gelsenkirchen, Munich, Berlin-Köpenick, Hamburg-Hamm, Hamburg-Altona, Ronnenberg-Empelde and Frankfurt-Rödelheim, which have been purchased by DEFO, are judged within the framework of a desktop valuation. The locations are not visited.
- The residential property in Wuppertal is valued for the first time. The site was visited on 19/10/2006.
- Loan values are generally calculated on the basis of the "Bodenrichtwerte".
- Old contamination, site and pollution examinations of the buildings are not part of the order.
- All property and building data have been taken from DEFO's appraisal made by publicly appointed and sworn experts for valuations and undeveloped and developed properties, who form the DEFO's pool of experts. This package valuation therefore includes the new valuations by DEFO's pool of experts of 17/11/2005.
- There are no surveyed site plans, floor plans, excerpts and views. All information has been taken from the above appraisals without checks.
- Originals of the current land registry excerpts, except for the Munich site, are included and have been examined by the valuer.
- All area and rental price information, along with information about the year of construction and modernisation measures for the buildings is based on information from the client on the basis of the above appraisals by DEFO's pool of experts and the sale prospectus provided by DEFO on 18/10/2006 and form the basis of this valuation. This information has also been expanded with tenant lists provided by the facilities management company Curanis by e-mail on 19/10/2006. Our own measurements of the areas are not the basis of the valuation.
- The tasks have been differentiated by the client as follows:
  - Market valuation of the above residential package using the earnings method,
  - Valuation date 31/10/2006.

3 Property categories

In principle, all properties except for Hamburg-Hamm and Düsseldorf are multiple dwelling buildings in average to good locations without commercial parts. Hamburg-Hamm has 3 office units and 2 shops alongside the residential units.

The building at Kölner Strasse in Düsseldorf has a supermarket, 5 other shops and 6 medical and office units. The gross commercial proportion of the building at Kölner Straße is 55% of the total gross revenue.

	Adress	Type of property
A	Frankfurt-Rödelheim, Niddagaustrasse 31-35	Residential property with 35 residential units (2 multiple dwelling buildings) and 46 underground parking places
B	Munich, Massmannstrasse 2-6	Residential property with 42 residential units, 7 commercial units and 42 underground parking places
C	Berlin-Köpenick, Karlstrasse 43-49 / Charlottenstrasse 26	Residential property with 45 residential units and 22 underground parking places
D	Ronnenberg-Empelde, Im Mesterwinkel 2-4 / Im Hasenfeld 1-13	Residential property with 80 residential units (7 multiple dwelling buildings) and 88 underground parking places
E	Gelsenkirchen-Feldmark, Schwarzmühlestrasse 27-35	Residential property with 80 residential units (2 buildings) 46 underground parking places and 14 outdoor parking spaces
F	Hamburg-Hamm, Borgfelder Strasse 84 / Brekelsbaumpark 5	Residential property with 37 residential units, 5 commercial units and 44 underground parking places
G	Hamburg-Altona, Johnsn-Mohr-Weg 7, 11, 13, 15	Residential property with 57 residential units (4 buildings) and 65 underground parking places
I	Wuppertal, Richard-Strauss-Allee 1-3	Residential property with 35 residential units (2 multiple dwelling buildings) and 42 underground parking places
J	Düsseldorf, Kölner Strasse 121 / Rheindorfer Weg 3, 5 / Brückerbach 3, 5	Residential and commercial property with a total of 67 residential and commercial units and 118 parking spaces

4 Description of the properties

All the properties valued are largely well-looked after, young properties with limited maintenance backlog.

With regard to the micro-location, all properties are in an average or good location.

The properties can easily be used by third parties and are marketable. They have floor plans and qualities suitable for the market.

5 Valuation method

All locations have been valued as requested on the basis of the earnings method in accordance with WertV. Material values have not been included in the valuation.

The market value of each location is the earnings value which results from the assumption of a continuation of the letting.

The current market situation does not show any price discounting when forming packages. The package value therefore is calculated by adding the individual values of each property.

6 Summary

The market values based on the locations are summarised as follows:

No.	Location	Market value	Package surcharge/ discount	Package value	Gross earnings multiple	Value per m² residential/ commercial space
A	Frankfurt	6,500,000	-	6,500,000	18.4	2,066
B	Munich	10,300,000	-	10,300,000	16.6	2,128
C	Berlin	3,600,000	-	3,600,000	15.2	1,276
D	Hanover Ronnenberg-Empelde	7,700,000	-	7,700,000	13.6	922
E	Gelsenkirchen	5,700,000	-	5,700,000	14.0	1,252
F	Hamburg Borgfeldstrasse	7,800,000	-	7,800,000	16.8	1,896
G	Hamburg Johann-Mohr-Weg	10,900,000	-	10,900,000	18.7	2,300
H	Wuppertal	3,600,000	-	3,600,000	14.4	1,276
I	Düsseldorf	10,200,000	-	10,200,000	13.5	1,478
Total		66,300,000		66,300,000		
Rounded total				**66,000,000**		

*** The underground and outdoor car parking spaces are included in the average values (per m² of residential space).**

The package value adjustments have not been taken into account because of the current competitive situation in the housing markets.

With the conversion of rental apartments into owner-occupier apartments, current residential markets show m²-prices of 30% above the here stated m²-value in case of a sale to tenants/occupiers and 20% above the here stated m²-value in case of a sale to investors (excluding parking spaces). However, conversion and restructuring costs and costs for marketing, as well as void periods due to BGB policy (increased termination protection, etc) must be taken into account.

7 Additional information

This valuation is copyright protected. The valuation order only establishes the rights of the contracting parties. Only the client, any CMBS related party and the valuer can assert rights mutually from the valuation order and the valuation. Liability towards third parties is excluded.

The valuer guarantees that the above valuation has been prepared in knowledge of valuers' duties.

Dortmund, den 08.12.2006

Dipl.-Ing. Dipl.-Wirtsch.-Ing.
Karsten Schmidt

Dipl.-Kfm. Dipl.-Wirtsch.-Ing.
Alexander Rätz-Weber

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Market valuation of a residential housing package

- Summary -

Client:	IMF Beheer BV, Buitenop 16, 6041 LS Roermond, MESDAG (Charlie) BV, Stichting Note Trustee MESDAG (Charlie) and NIBC Bank NV
Purpose of the order:	Examination of the market value
Description of the properties:	Residential housing package with properties on which 317 buildings with 362 residential units, along with garages and parking spaces, are situated. Locations: Mönchengladbach (46 residential units), Viersen (9 residential units), Brüggen (2 residential units), Paderborn (13 residential units), Detmold (40 residential units), Bielefeld (77 residential units), Gütersloh (60 residential units), Herford (104 residential units), Lübbecke (1 residential unit).
Use of the properties:	Residential
Order date:	27.10.2006
Valuation date:	31.10.2006

Market valuation:	**around 37,000,000 €**
Status-quo-value:	**around 43,200,000 €**

Contents: **Page:**

1 Commissioning

IWF Beheer BV, Buitenop 16, 6041 LS Roermond, MESDAG Charlie BV, Stichting Note Trustee MESDAG (Charlie) and NIBC Bank NV commissioned the valuers Schmidt + Partner, Poststraße 9, 44137 Dortmund, in a letter of 27/10/2006, to prepare a continuation of the market valuation of 05/11/2004 for the residential housing package "Aktion Union" with properties of the former owner Land Nordrhein-Westfalen, on which 317 buildings with 352 residential units are situated.

2 Task Setting

This continuation valuation is not based on a site visit. The valuation is based on the site visit of October 2004. The valuers assume that no changes have taken place to the properties and structural condition before the valuation date of 31/10/2006 which impact the value. Furthermore, this continuation valuation is based on a desktop analysis, which in turn is based on the information and planning documents of the market valuation of 05/11/2004.

The basis of the valuation is the rental agreement between Bau- und Liegenschaftsbetrieb NRW and Bundesrepublik Deutschland, which states that the residential units built by the Land since 1949 (residential package "Aktion Union") can be made available to the British Armed Forces and their members, or to other natural or juridicial persons or associations within the framework of the NATO Armed Forces Statute (to be determined by the German authorities). The rental agreement is entered into for an unspecified period. It cannot be terminated by the lessor as long as the foreign armed forces make use of the rental object and the lessee fulfils its obligations under this rental agreement.

Furthermore, the following assumptions for the valuation of the residential package of 05/11/2004 were applied:

- The market value of the residential package is derived by applying the earnings value method and is represented separately for each valuation location, namely Mönchengladbach, Viersen, Brüggen, Paderborn, Detmold, Bielefeld, Gütersloh, Herford, and Lübbecke, as a location-based package value (return-basis).
- The status quo value of the residential package is derived from the rental agreement between Bau- und Liegenschaftsbetrieb NRW and Bundesrepublik Deutschland and is represented separately for each valuation location, namely Mönchengladbach, Viersen, Brüggen, Paderborn, Detmold, Bielefeld, Gütersloh, Herford, and Lübbecke, as a location-based package value (return-basis).
- Ground values are generally based on the guide ground values.
- The properties being valued have been divided into construction land and garden land close to housing.
- Maintenance and restoration measures are not taken into consideration within the framework of this market and status quo valuation because of the transfer of work and services to the lessee Bundesrepublik Deutschland as agreed in the rental agreement, however, they are of course mentioned and valued. According to information from Bau- und Liegenschaftsbetrieb NRW, the properties being valued are typically thoroughly renovated every 2 years by the lessee or the foreign armed forces.
- Old contamination, site and pollution examinations of the buildings are not part of the order.
- The residential housing package is divided into three, substantially similar building types. The building types have been visited and assessed at the 9 locations only on the basis of random samples on 18 and 19/10/2004.
- The condition of the inspected residential units at the respective locations was assumed to be as comparable to the non-inspected residential units.

- Surveyed site plans, extracts from the land registry, floor plans, side views and front views are only available to a limited extent and, where available, are enclosed as annexes to the valuation.
- The achievable market rents (market value options) are based on the respective rent levels in the city which represent typical local comparable rents. Detached and semi-detached houses are typically not included in the rent price level. Considering our own experience of the markets and discussions with market members we allow for surcharges, known as "own home surcharges" of 15% to 30% on top of the comparable market rent. These surcharges and the corresponding higher values can be explained by the fact that the properties are separate houses with a separate entrance, garden etc. unlike the blocks of appartements to which the properties are compared.
- All area and price information regarding the status quo option and information about the year of construction and building modernisation measures are based on information from Bau- und Liegenschaftsbetrieb NRW and form the basis of this valuation without having been checked.
- The number of garages assigned to residential units has been taken from the site plans and information from Bau- und Liegenschaftsbetrieb NRW and form the basis of this valuation without having been checked. Outside parking spaces were not included in the valuation.
- The following rights and charges in Departments II and III of the land registries and in building charge directories are known, but are not relevant to the valuation:
  - Paderborn, Husarenweg 16 – 38, restricted personal easement for the Paderborner Elektrizitätswerk und Strassenbahn AG (PESAG) in Paderborn
  - Bielefeld, Herderstrasse, Transformer right, for the Bielefeld Stadtwerke
  - Gütersloh, Bultmannstrasse, plot 595, pre-emptive right of purchase for the Gütersloh Stadtgemeinde
  - Gütersloh, Bultmannstrasse, plot 3 and 5, pre-emptive right of purchase for the Gütersloh Stadtgemeinde

- Herford, Goethestrasse, right to maintain a transformer station with cabling and right of access for the Elektrizitätswerk Minden-Ravensberg GmbH in Herford

A land charge (total liability) is registered in Department III for all locations. The charges in Department III are not taken into account in the valuation, as this department is transferred free of charges in the event of a sale.

- The valuation is broken down into variations according to the order:

A: Calculation of the status-quo value of the residential housing package on the basis of the rental agreement between Bau- und Liegenschaftsbetrieb NRW and Bundesrepublik Deutschland, assuming sustained achievable contractual rents over the residual term for the respective properties. (Note: after discussions with employees of BLB NRW, long-term outlook for use by the British armed forces can be assumed based on current knowledge (expansion of troop exercise locations, Gütersloh airport, etc.). We do not have complete certainty, however, due to the foreign policy decision-making level.

B: Calculation of the market value of the residential housing package based on the assumption that the British armed forces' requirement will not exist in the short-term and the rental contract will be terminated in the short-term (within one year). The residential units could be marketed in location-based packages (9 locations). Within the framework of this consideration, survey costs, marketing costs (broker commission) and capital market interest within the marketing phase have been taken into account in accordance with the order.

The valuation is based on the information provided to the valuers Schmidt + Partner by IWF Beheer B.V. and Bau- und Liegenschaftsbetrieb NRW. This has been accepted without having been checked and is included in full in the valuation.

3 Property categories

In principle, all properties are detached or semi-detached houses in medium to good locations without commercial units. There are also 12 apartments in Mönchengladbach

Description		Type of property
A	Mönchengladbach, Peter-Nonnenmühle-Allee, Holbeinstrasse, Rembrandtstrasse	Site with 12 detached houses and 22 terraced houses and semi-detached houses, 12 apartments and 14 garages
B	Viersen, Eichenstrasse, Lessingstrasse	Site with 9 terraced houses
C	Brüggen, Brüggener Strasse	Site with 2 detached houses and 2 garages
D	Paderborn, Husarenstrasse	Site with 9 detached houses, 4 semi-detached houses and 13 garages
E	Detmold, Immelmannstrasse, Monkeweg	Site with 31 terraced houses and semi-detached houses and 5 garages
F I	Bielefeld, Herderstrasse, Lipper Hellweg	Site with 12 detached houses, 36 terraced houses and 18 garages
F II	Bielefeld, Wilhem-Busch-Strasse, Haspelstrasse, Wilbrandstrasse	Site with 6 semi-detached houses, 17 terraced houses and 17 garages
G I	Gütersloh, Alsenstrasse, Gutenbergstrasse	Site with 12 semi-detached houses, 8 duplexes and 12 garages
G II	Gütersloh, Bultmannstrasse	Site with 20 terraced houses
H I	Herford, Glatzer Strasse	Site with 10 detached houses, 66 terraced houses and duplexes and 22 garages
H II	Herford, Goethestrasse, Eckermannstrasse	Site with 9 detached houses, 19 terraced houses and duplexes and 22 garages
I	Lübbecke, Andreasstrasse	Detached house and garage

4 Description of the properties

All the properties valued are largely well looked after properties built in the 1950s and 1960s with limited maintenance backlog.

With regard to the micro-location, all properties are in an average and, in part, good location.

The properties can be used by third parties and are marketable. They have floor plans and fitting qualities suitable for the market.

5 Valuation method

All locations have been valued as requested on the basis of the earnings method in accordance with WertV. Material values have not been included in the valuation.

The market value of each location is the earnings value, which results from the assumption of a confirmation of the current letting.

6 Summary

The market values based on the locations are summarised as follows:

No.	Location	Ground value	Status quo value	Provision package value	Package discount -5%	Package value
A	Mönchengladbach	6,736,573	7,877,000	6,870,000	- 343,800.00	6,532,200
B	Viersen	376,080	754,000	760,000	-38,000.00	722,000
C	Brüggen	245,554	334,000	339,000	-	339,000
D	Paderborn	2,032,574	2,729,000	2,576,000	-128,800.00	2,447,200
E	Detmold	2,401,660	4,611,000	4,415,000	-220,750.00	4,194,250
F	Bielefeld	5,020,430	9,067,000	8,782,000	-439,100.00	8,342,900
G	Gütersloh	3,424,455	5,760,000	4,561,000	-228,050.00	4,332,950
H	Herford	8,075,580	12,129,000	10,341,000	-517,050.00	9,823,950
I	Lübbecke,	47,515	164,000	127,000	-	127,000
Total		**28,959,321**	**43,215,000**	**38,777,000**		**36,861,450**
		approx. 29,000,000	**approx. 43,200,000**	**approx. 38,800,000**		**approx. 37,000,000**

The results of the respective provisional package values as market values, taking into account market costs, are supported by random individual calculations (per house type and location) for the sale of separate properties with residential buildings.

In order to calculate the market value per location, except for the single properties in Brüggen and Lübbecke, a package discount of 5% of the provisional package values has been applied. The package discount refers, in particular, to the operational expenses (staff costs, fees to be paid, etc.) for the entire portfolio during the marketing period.

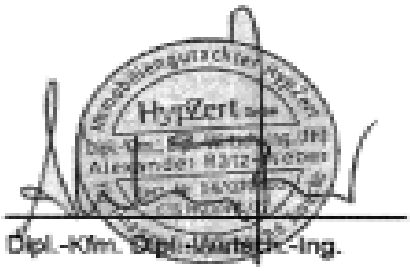
7 Additional information

This valuation is copyright protected. The valuation order only establishes the rights of the contracting parties. Only the clients and the valuer can assert rights mutually from the valuation order and the valuation. Liability towards third parties (other than CMBS related parties) is expressly excluded.

The valuer guarantees that the above valuation has been prepared in knowledge of valuers' duties.

Dortmund, den 24.01.2007

Dipl.-Ing. Dipl.-Wirtsch.-Ing.
Karsten Schmidt



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VALUATION SCHIPHOL

DTZ Zadelhoff

PROPERTY VALUATION REPORT

Private and Confidential

MESDAG (Charlie) B.V.
Fred. Roeskestraat 123
1076 WE Amsterdam

Stichting Note Trustee MESDAG (Charlie)
Fred. Roeskestraat 123
1076 WE Amsterdam

NIBC Bank NV
Carnegieplein 4
2517 KJ 's-Gravenhage

01 November 2006

"SKYMASTER", Piet Gullonardweg 1-9, Schiphol Oost

1. **Terms of Reference**

1.1. In accordance with instructions received from you, we have appraised office building "Skymaster", Piet Gullonardweg 1-9, Schiphol Oost in order to provide advice upon value as detailed below and for the purposes of inclusion of this report and valuation in relation to notes to be issued by MESDAG (Charlie) B.V.

1.2. The property, which is the subject of this report, is one office building currently owned and operated by subsidiaries of the Company or its affiliates. The object is held long leasehold.

1.3. Our valuation has been prepared in accordance with the Practice Statements contained in the International Valuation Standards 2005 (7th edition) published by the International Valuation Standards Committee in 2005 (IVS 2005). The extent of our investigation [and the sources of information on which we have relied] is described below and in the Valuation Procedure and Assumptions attached.

DTZ Zadelhoff, Valuation Department, Maliebaan 36B - 3581 CS Utrecht, P.O. Box 85094 - 3508 AB Utrecht
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DTZ Zadelhoff

1.4. The valuation has been prepared by appropriate valuers who are registered by 'VastgoedCert' in Rotterdam and conforms to the requirements as set out in IVS 2005, acting in the capacity of external valuer as defined in Code of Conduct 3.5 of IVS 2005 qualified for the purpose of this valuation

2. **Material Considerations**

2.1. A full valuation report of the property is available. This report identifies the property by reference number and address. It also provides a summary detail upon amongst others tenure, gross and sales area, rent to be paid under the lease and the assessed Market Value.

3. **Information**

The Company has informed us that the property is held as an investment. Our valuation is based on the information which the Company, its advisors, has supplied either to us or which we have obtained from our enquiries. We have relied on the information being correct and complete and on there being no undisclosed matters which would have affected our valuation. In the valuation summary, we made notice of deviations from the abovementioned information.

4. **Valuation**

4.1. Our valuation which is detailed below, comprises:

4.1.1. Market Value of freehold or long leasehold interest – (**"Market Value"**)

4.2. All our valuations are upon the basis of Market Value. This is an internationally recognized basis and is defined as: *"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

4.3. Our valuation, dated 1 November 2006, is detailed in the original report.

4.3.1. **Market Value (MV)**

Subject to the foregoing and with respect to the definitions and clauses of Appendix 3 we are of the opinion that the Market Value of the Company's long leasehold interests in the Property, as set out in Appendix 1, is the total value of:

EUR	**14,150,000**
In words:	**fourteen million one hundred fifty thousand euro with purchasing costs payable by the purchaser**

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Amsterdam Arnhem Breda Den Haag Eindhoven Enschede Groningen 's-Hertogenbosch Hoofddorp Rotterdam Utrecht Zwolle.

DTZ Zadelhoff

Thus done to the best of its knowledge and expertise and signed on behalf of DTZ Zadelhoff v.o.f. on 10 November 2006:

G.J.H. Boeve MSc MRE MRICS RT
Sworn estate agent and registered property valuer, registered with Stichting Vastgoedcert in Rotterdam under number BV01.20.412.5.0040

G. Coffeng MSc RT
Sworn estate agent and registered property valuer, registered with Stichting Vastgoedcert in Rotterdam under number BV01.20.412.5.0083

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Sachverständigenbüro Dipl.-Volkswirt Walter Finger

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Berlin, 06 Februar 2007
Fi/cg

Report and Valuation –WBG-Portfolio, Berlin-Marzahn (Quarters 4, 7, 8 and 9)

1. Introduction

On behalf of Muldershof XVIII. B.V. and in my capacity as a valuer officially appointed and sworn in by the Berlin Chamber of Commerce and Industry for the valuation and leasing of developed and undeveloped land, I valued a total of four Marzahn building complexes offered for sale by their then current owner Wohnungsbaugesellschaft Marzahn (WBG). The valuation was based on the fair-market valuation.[3] The locations of the properties valued are listed in the appendix to this report.

The portfolio comprised a total of:

3,906 residential and commercial units.

I related the value of the individual building complexes to the usable floor space in m² as at the reference date of the fair-market valuation.

[3] cf. Valuation Nos. 7478/06, 7479/06, 7480/06 and 7481/06

2. Inspection

The portfolio was inspected on 14 March 2006, with nine vacant residential units being selected at random for inspection. The fittings and condition of the other properties were assumed to be the same as in these selected properties.

3. Compliance with valuation standards and principles

I confirm that the valuation was conducted in accordance with the relevant valuation standards and principles, specifically the provisions of the German Building Code ('*BauGB*'), the Value Appraisal Order ('*WertV*') and the Value Appraisal Guidelines ('*WertR*'). The valuation standards and principles applied essentially comply with those of the Royal Institute of Chartered Surveyors ('RICS').

4. Status of valuation and conflicts of interest

I confirm that the valuation was conducted in accordance with my qualifications and that I have no business relationships with the client or the seller that could result in a potential conflict of interests.

5. Purpose of valuation

This report was made for the purpose of inclusion in a prospectus for a cmbs transaction.

6. Basis of valuation

6.1 Fair-market value

The portfolio has been valued in accordance with the provisions of the German Building Code.

In compliance with §194 of the German Building Code, the fair-market value of the properties has been determined on the basis of the price achievable at the time of the valuation in a normal business transaction, assuming the prevailing legal conditions and

actual features and the state in other respects and location of the property, with no account being taken of any abnormal or personal relationships.

6.2 Taxes and costs

My valuation takes no account of any tax aspects. Similarly, no account has been taken of any purchase costs payable by the buyer.

7. Value-added tax

The valuation disregards any value-added tax payable.

8. Assumptions and sources of information

The assumptions and sources of information used derive from documentation provided by the client and the owner.

8.1 Survey

The facts relevant to the valuation were obtained from the extracts from the Property Register and Land Register made available to me. The charges registered in Section III of the Land Registry are not relevant to the valuation. The value is not affected to any meaningful extent by the charges registered in Section II of the Land Registry.
I have not surveyed the land for any liabilities dating back to the pre-unification period or relating to the soil's hydrology or carrying load. The stated fair-market value should consequently be adjusted accordingly if specialists subsequently discover the existence of such liabilities.
The value is not affected by commitments under the Public Housing regulations.

8.2 Structural condition

The structural condition of the buildings can be regarded as normal for buildings of their age. There is no evidence of any maintenance backlog that would affect the value. No report of structural damage was available to me at the time of the valuation. In these circumstances, therefore, there is no evidence of any factors affecting the value that would need to be taken into account.

8.3 Surface areas

I have not checked the surface areas stated in the rental lists at the location.

8.4 Construction and planning legislation

The properties are assumed to have been built in accordance with the provisions of the relevant construction and planning legislation.

8.5 Rental contracts

I have not verified whether individual rental contracts comply with the relevant legal provisions. This has, however, been assumed to be the case. The principle of freedom of contract applies in respect of business rental contracts.

9. Portfolio

The value of the portfolio is based on the sustainable proceeds able to be generated by the properties and consequently relates to the individual residential units and commercial space available in the buildings. It was possible to analyse two purchase transactions for comparative purposes.

10. Estimated value

Given the stated assumptions and circumstances, the total value of the portfolio is estimated to be:

€ 169,800,000

(in words: one hundred and sixtynine million eighthundred thousand euros).

Appendix to Report and Valuation –WBG Portfolio, Berlin-Marzahn

No.	Location	No. of units	Total floor space (m^2) (excluding parking facilities)	Fair-market value (€)	Fair-market value (€/m^2)
1	Max-Hermann-Straße 2, 4, Mehrower Allee 36, 50	584	34,858	24,600,000	706
2	Bärensteinstraße 2-18 (even numbers), 42, 44	588	37,600	26,500,000	705
3	Marzahner Ring 2-28 (even numbers), 31, 33, 34, 36, 58-64 (even numbers), Poelchaustraße 2, 4, 18-32 (even numbers), Allee der Kosmonauten 109-119 (odd numbers),125,127	1,741	114,962	79,900,000	695
4	Blumberger Damm 4-10 (even numbers),Buckower Ring 1-7 (odd numbers),33-51 (odd numbers),59-79 (odd numbers), Wuhlestraße 1-7 (odd numbers)	993	51,709	38,800,000	750
	Total	3,906	239,130	169,800,000	

"Note: There are some differences between the original valuation report and the summary valuation report with respect to "number of units" and " total floor space ". These differences, however, do not impact the reported fair-market value."

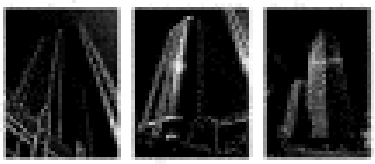
DTZ

Summary of the Valuation reports of

„Portfolio Falcon"
54 Properties in Berlin and Bonn
„Portfolio FELIX"
29 Properties, Germany

December, 2006

Private & Confidential



Contents

Subject to the following conditions the information in this report may be relied upon by:

(i) MESDAG (Charlie) B.V.
Olympic Plaza
Fred. Roeskestraat 123
1076 WE Amsterdam

(ii) Stichting Note Trustee MESDAG (Charlie)
Olympic Plaza
Fred. Roeskestraat 123
1076 WE Amsterdam

(iii) NIBC Bank N.V.
Carnegieplein 4
2517 KJ The Hague

Notwithstanding Clause 7.2 of the Standard Terms and Conditions of DTZ Zadelhoff Tie Leung GmbH („Allgemeine Auftragsbedingungen der DTZ Zadelhoff Tie Leung GmbH ") Dated October 27, 2004 this information may also be used by any Purchaser of the Loan (as defined in the Facility Agreement), any potential investor (including any agent or advisor thereof) in any securities backed by or relating to the Loan as well as any rating agency rating any such securities. This report has no other purpose and should not be relied upon by any other person or entity.

Each reliance party shall know and accept Speymill Group plc have accepted the information supplied by DTZ Zadelhoff Tie Leung GmbH as sufficient within the scope of the instruction and have thereby acknowledged that DTZ Zadelhoff Tie Leung GmbH has completely fulfilled its obligations under the instructions received as per the instruction letter dated July 26, 2006.

Any reliance parties will have to obtain information which has been supplied by DTZ Zadelhoff Tie Leung GmbH to Speymill Group plc solely and directly from Speymill Group plc. There shall be no claim of the reliance parties to receive any information directly from DTZ Zadelhoff Tie Leung GmbH.

By this letter the scope and the contents of our contractual and other obligations which we have incurred under the existing contract with our client Speymill Group plc will not be extended.

The scope of the reliance on the information and consequently the liability of DTZ Zadelhoff Tie Leung GmbH, if any, arising from the information or connected in

any manner with the information is defined by the instructions received from Speymill Group plc as per instruction letter dated July 26, 2006, including our Standard Terms and Conditions dated October 27, 2004, except for clause 7.2 of the Standard Terms and conditions to the extent that any information is disclosed in accordance with the above paragraph of this letter.

Our ref: Summary report
Direct tel: 069-92100-188
Direct fax: 069-92100-198
E-mail: anke.niklas@dtz.com

12 February 2007

Dear Sirs,

Project Falcon, Project Felix
Summarized Valuation report

1 Introduction

In accordance with the instructions of Speymill Group plc.(the Company), which were confirmed in our letter dated 26 July 2006, we have inspected the properties and referred to in the Valuation Reports dated 2nd November 2006, in order to advise you of our opinion of the Market Value of the freehold properties that comprise the Portfolio at 1st August 2006.

The following document summarises the results of the projects Felix and Falcon. It is not a full valuation report and should only be regarded in content with the Valuation Reports as provided on 2nd November 2006. The summary report includes the main assumptions of both above mentioned valuation reports. For further information on valuation assumptions, market informations as well as valuation terms and caveats please refer to the complete Valuation Reports.

The summarised Portfolio comprises a variety of residential investment properties, some including a small element of commercial use. In this report, reference to the individual properties in the Portfolio may include the one or more buildings that comprise each property.

2 Inspections

We have inspected all properties of the Portfolio between 7th – 8th and 28th and 31st August 2006. We were in parts not able to gain access to internal parts of the properties.

3 Purpose of the valuations

We understand that the valuation is required for financing purposes.

4 Bases of valuation

Our opinion of the Market Value of the Portfolio has been primarily assessed by using the current rental income as well as an estimate of the future potential net income generated by use of the properties, supported by comparable recent market portfolio transactions on arm's length terms.

4.1 Market Value

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

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

4.2 Market Rent

Market Rent as defined in Practice Statement 3.4 of the Red Book. Under PS 3.4 the term "Market Rent" means "*The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.*"

Market Rent will normally be used to indicate the amount for which a vacant property may be let, or for which a let property may re-let when the existing lease terminates. Market Rent is not a suitable basis for settling the amount of rent payable under a rent review provision in a lease, where the actual definitions and Assumptions have to be used.

4.3 Taxation and costs

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

In accordance with market practice, we have not made a deduction to reflect a purchaser's acquisition costs. Nevertheless, the Market Values that we have reported are all net of acquisition costs.

5 VAT

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

6 Assumptions and sources of information

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

6.1 Title

We have partly had access to the title deeds of the properties. We have made the Assumption that the Portfolio is possessed of good and marketable freehold title in each case and that the properties are free from disputes or onerous or unusual outgoings or any other encumbrances which could have a negative impact on Value.

According to the information provided the following units in the Portfolio are subject to restrictions of a subsidised social housing scheme:

SDI	City	Address	Subsidized until
SDI 6	St. Augustin-Menden	Johannesstr. 25 - 55	31.12.2009
SDI 6	Bonn*	Zur Beliemühle 14-30	31.12.2009
SDI 14	Köln	Gernsheimer Str. 9-17	31.12.2012
SDI 15	Leverkusen	Albert-Schweitzerstr. 1-21 / Fichtestr. 17-25	31.12.2012

* according to additional information received 6th February 2007, the property Bonn, zur Beliemühle 14-30 is not subject to restrictions of a subsidised social housing scheme.

We have not reviewed the original purchase contracts for the properties. We have made an assumption that these do not contain any additional restrictions on rent increases or unit sales prices; any maintenance or modernisation restrictions and/or their regulation; any occupancy bindings and no additional dismissals protection.

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

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

The detailed caveats regarding condition of structure and services, deleterious materials, plant and machinery and goodwill are outlined in the respective valuation reports as provided on 2nd November 2006. The summary report should only be regarded in conjunction with the full Valuation Report and the assumptions and comments as therein included.

6.3 Environmental matters

We have not made enquiries of the Portfolio in order, so far as reasonably possible, to establish the potential existence of contamination arising out of previous or present uses of the sites and any adjoining sites.

Our inspections have provided no evidence that there is a significant risk of contamination in respect of any of the properties. Other than as referred to above, we have not made any investigations into past or present uses, either of the properties or any neighbouring land to establish whether there is any contamination or potential for contamination to the subject properties. Commensurate with our Assumptions set out above we have made no allowance in these valuations for any effect in respect of actual or potential contamination of land or buildings.

A purchaser in the market might, in practice, undertake further investigations than those undertaken by us. If it is subsequently established that additional contamination exists at any of the properties or on any neighbouring land or that any of the premises have been, or are being, put to any contaminative use then this might reduce the values now reported.

6.4 Areas

Speymill Group plc. has provided us with the floor areas of the properties that are relevant to our valuation. As instructed, we have relied on these areas and have not checked them on site. We have made an Assumption that the floor areas supplied to us have been calculated in accordance with current local market practice.

6.5 Statutory requirements and planning

We have made an Assumption that the buildings have been constructed in full compliance with valid town planning and building regulations approvals, that where necessary they have the benefit of current Fire Certificates, and that the properties are not subject to any outstanding statutory notices as to their construction, use or occupation. Unless our enquiries have revealed the contrary, we have made a further Assumption that the existing uses of the properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

For further information please refer to the respective valuation reports as provided on 2nd November 2006.

6.6 Leasing

We have relied on a tenancy schedule provided to us by Speymill Group plc.. We have been provided with a selection of the residential leases and related documents, where available we have been provided with commercial lease contracts. We have made an Assumption that all relevant documents have been sent to us are complete and up to date.

With regard to the lease contracts, we have thus had to assume that the leases are in proper adequate form with no onerous clauses or requirements. We have assumed that both the landlord and the tenants have performed their respective covenants under the leases, to include those relating to the repair of the buildings, and we have not been informed to the contrary. It has also been assumed that the properties as currently arranged are used in accordance with the leases, that there are no tenancies or sub-tenancies for any parts of any of the buildings other than

those we have mentioned within our Report and that there are no unusual restrictions on assignment or sub-letting of the properties for residential purposes.

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

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

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

6.7 Information

We have made an Assumption that the information Speymill Group plc. and its professional advisers have supplied to us in respect of the properties is both complete and correct.

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

7 Data Input

The basis of our valuation has been the Input Database, dated 1 August 2006 (Falcon) and dated 14 August 2006 updated 07 September 2006 (Felix) provided to us by the client. Additionally we have been provided with extracts of the land

register, property information based on short format exposés, rough floor plans, cadastral maps and technical due diligence reports for each property. Based on the database provided, we arranged inspections of all properties of the Portfolio.

We have undertaken several plausibility checks for the database provided. Where required we have made adjustments in accordance with the Company (Speymill). Where no information was available we had to make assumptions as stated in the respective chapter in the Valuation Report.

8 Valuation Methodology

8.1 Overall Approach and Analysis

The Portfolio has been valued as a property portfolio on the basis of a "bottom-up" approach with an assessment of cash flows on individual property level (WE: Wirtschaftseinheit). Following a clustering provided by the client the cash flows have been aggregated to a total Portfolio cash flow.

The cash flows are set up over a ten year period and with an assumed exit in year 11. We have taken the data from the tenant rent roll, as provided by Speymill, and apportioned the properties into the following clusters:

Cluster Database	City
SDI 16	Berlin
SDI 17	Berlin
SDI 18	Berlin
SDI 19	Berlin
SDI 20	Bonn, Bad Godesberg
SDI 3	München, Heidenheim
SDI 5	Hamburg
SDI 6	Bonn, St. Augustin
SDI 8	Hamburg, Cottbus, Gehrden, Hannover, Seelze, Glückstadt, Neustadt, Kassel, Salzgitter, Wietze
SDI 12	Frankfurt
SDI 14	Köln
SDI 15	Brunsbüttel, Leverkusen
SDI 22	Neuhardenberg

We have applied the individual input assumptions (on WE level) and general parameters for the entire Portfolio. We have calculated the Net Present Value of those cash flows and aggregated them to produce overall values at cluster level as well as an overall Portfolio level.

8.2 Inspections and Clustering

The Portfolio comprises 83 properties (in December 2006) which vary in terms of size, condition and location.
Overall the Portfolio is composed of 3,114 residential units with 218,639 sq m which represents 93.05% of the total lettable area as well as 104 commercial units with 16,342 sq m lettable area which represents 6.95% of the total lettable area. During the inspections we have had access to all properties, we have not had access internally to residential units of 32 properties due to current fully lettings.

According to additional information provided by NIBC one property in Berlin (Falkentaler Steig 96-90) was left out at a later stage. The property, included in SDI 18, comprises a lettable area of 345 sq m, the Marked Value as at valuation date is 262,335 €. This portfolio change is not incorporated in the full valuation reports.

8.3 General DCF assumptions

In our discounted cash flow calculations, we have made following general assumptions and considerations:

- Valuation date is 01 August 2006
- Property information as supplied by the tenant rent roll
- Current income as provided in the tenant rent roll
- Estimated Market Rent on the basis of our market research
- An average lease term of 10 years overall
- Cost and Income Inflation of 1.5% per annum (based on statistical data)
- Rental Growth – in each subset of the Portfolio, actual rents were adapted to the inflation adjusted market level by linear growth over 10 years (Periods 1 to 10).

- Discount Rate (real) – the rates, which reflect the advantageous finance rates available on loans to this class and size of asset, and compares the revenue to similar "secure" cash flows, such as bonds, swaps etc have been calculated on a cluster level. Due to the calculation of the Market Value on individual basis we have also applied a discount rate on individual property level.
- Capitalization rates on exit were calculated on an individual property level.

8.4 Revenues

Net Rental Income

Within each of the subset cash flows, we have aggregated the net rental income. The figures are based on the information from the tenant rent roll database including amongst other things the rental income for residential and commercial areas. Overall the rental income for residential and commercial space totals to 14,433,795 €/p.a.

In addition to the rental income for residential and commercial areas, we have aggregated the rental income from the let parking units. The total rental income from the parking units is 375,110 €/p.a.

Other Income

This figure includes net rental income from additional usage in particular from antennas. The current rental income of the additional income is € 62,900 per year.

Subsidies

The Portfolio consists of the following subsidized properties.

SDI	City	Address	Subsidized until
SDI 6	St. Augustin-Menden	Johannesstr. 25 - 55	31.12.2009
SDI 6	Bonn*	Zur Bofenmühle 14-30	31.12.2009
SDI 14	Köln	Osenshelmer Str. 9-17	31.12.2012
SDI 15	Leverkusen	Albert-Schweitzerstr. 1-21 / Fichtestr. 17-25	31.12.2012

* according to additional information received 6th February 2007, the property Bonn, zur Bofenmühle 14-30 is not subject to restrictions of a subsidised social housing scheme.

We have not been provided with any subsidy payments. We therefore assume that no subsidy payments occur and have thus not considered subsidy payments in our cash flows.

8.5 Market Rents

We have defined Market Rents for each individual property based on our Market Research. Market rents were assessed on the level of individual houses, based on our assessment of lettability according to the information provided, our market and location assessment as well as the results of our external inspections. In particular Market rents were defined in relation to the year of construction, the size of the property, the condition of the property and the micro- and macro-location of the property. For the calculation of the Market Value we have considered these Estimated Market Rents.

8.6 Rental growth

Based on an assumed average lease term of 10 years we have assumed a fluctuation of tenants of 10% p.a. We have grown the current income as stated below considering that in general rental growth is limited by the market rent (real):

- For those properties which are let at rents that are below market level ("under-rented"), we have applied a rental growth at the same rate as the overall inflation rate of 1.5% p.a. achieving as a maximum the estimated market rental level in year 10.
- For those properties which are let at rents that are above market level ("over-rented") the decrease in rent has been spread evenly over the period of the cash flow, achieving the estimated market rental level in year 10.
- In case of subsidised units the duration of subsidies have been taken into account (e.g.: subsidies expire in year 2011). If the "as is" rent is under/above market level, the rental growth will be applied, considering the lease turn period of 10 years from year 2012 for remaining 4 years of the model period. In this case only a part of units will reach the market level.
- Our estimated market rental levels consider the current market situation as well as the input of high capital expenditures and related renovation works.

8.7 Cost Assessment

Within each of the subset cash flows, we have calculated the net operating income by deducting the non-recoverable costs as well as capital expenditures from the gross income provided by Speymill. We have not sought to fully verify this data but would comment that these costs are in line with other similar residential portfolios that have been recently transacted.

Non-recoverable costs

We have been provided by the client with information on ongoing maintenance costs on an individual property level. Furthermore we have been provided with management fees, which are at a level of between 5.586% and 6.65% p.a. of the rental income as well as credit and collection loss on individual property basis. We have aggregated the credit and collection loss to an overall average approach of between 1.00% and 1.21% for the Portfolio and have considered this general approach for the individual properties in the cash flow.

As we have not been provided with additional non-recoverable costs by Speymill we have made our own estimate of the likely costs of further non recoverable costs such as additional non-recoverable costs, vacancy costs, renovation costs for re-letting as well as a sinking fund. Our own cost assumptions are in line with similar residential portfolios that have been recently transacted. We have assumed 0.11 €/sqm/p.a. of other non recoverable costs, covering extraordinary costs, which could not be reimbursed to the tenants. Vacancy costs are assumed at a level of 1.00 €/sqm/vacant month. As additional renovation costs we have assumed renovations costs for re-letting of 25.00 €/sqm/p.a. considering an unit turn of 10% p.a. which is in market line with other similar residential portfolios. We have adopted additional costs for a sinking fund based on an individual cost assessment due to the year of construction of the property.

Capital Expenditure

Speymill has provided us with a forecast of planned capital expenditures for the next year to secure a good state of repair of the properties. These information catch-up costs of a total amount of € 5,909,909 and are set out as deferred

maintenance costs to be executed within the cash flow time period within the first year.

We consider that these costs are reasonable, given the age and condition of the properties and have included them on an individual property level within our calculations.

8.8 Vacancy Rates

The overall vacancy rate within the Portfolio, as at the date of valuation, is approximately 10.53%, although this varies by cluster, which seems to be not structural vacancy but caused by fluctuation or the current condition of the properties.

We have considered the likely level of stabilised vacancy for each property and have assumed that this rate would be achieved within the first three years of the cash flow. By evaluation of the stabilised vacancy rate, we have also considered typical market vacancy rates in the locations of the properties, based on market information, total vacancy rates in the city/ district and population growth as well as the upgrade of the condition of the properties.

8.9 Exit Capitalisation Rate

We have considered exit capitalisation rates at an individual property level. The exit yields are based on the characteristics of the properties taking into consideration the capital expenditures spent on those properties within the past years. Exit cap rates are applied at the net operating income of the respective year.

The exit yields applied reflect, among other things, our opinion of the macro and micro location, composition of market vs. current rents, the tenure of the assets, and the age and design of the assets and the local demand / occupier market. Where available, we have also had regard to local market information on block

sales data, which we have applied as a benchmark in order to cross-reference the capital value per sqm produced.

The exit multipliers for the individual properties mostly range between 9.5 and 19 times gross income. These multipliers reflect the fact that our cash flow assumes that the Portfolio will have achieved stabilised occupancy at year ten and that the rents will be at, or close to, market levels. Exit values are inflated values taking into consideration an inflation rate of 1.5% per year.

8.10 Conclusion

The Portfolio has a current gross income in total of €15,321,805 per annum (including residential, commercial and all other revenues) as at the date of valuation.

Taking into consideration all assumptions and comments set out in the reports and in this summary the resulting Net Market Value is about 231,470,000 € (rounded) which equates to a sqm approach of approx. 985 €/sqm as well as a corresponding multiplier referring to contracted income of about 15.1.

9 Market Value

We are of the opinion that the Market Value as at 1st August 2006 of the freehold interests in the properties described in the appendices, which comprise the Portfolio, subject to the Assumptions and comments in this Valuation Report and in the appendices was as follows:-

€ 231,470,000 (rounded)
(Two Hundred Thirty One Million Four Hundred and Seventy Thousand Euros)

Confidentiality and Disclosure

The contents of this Summary is confidential to MESDAG (Charlie) B.V., Stichting Note Trustee MESDAG (Charlie), NIBC Bank N.V.and Speymill for the specific purpose to which they refer and are for their use only. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of their contents. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt such approval is required whether or not DTZ Zadelhoff Tie Leung GmbH are referred to by name and whether or not the contents of our Valuation Report are combined with others.

Christian Windorfer
Director
DTZ Zadelhoff Tie Leung GmbH

Anke Niklas
Associate Director
DTZ Zadelhoff Tie Leung GmbH

DTZ

Portfolio Felix, Portfolio Falcon

Market Value Overview - Portfolio Approach

Cluster	Total area in sqm	Vacant Area	Current income per month (plus parking/ additional)	Potential market income per month	PV in €	Vacancy rate in in %	Current rent /sqm	Market rent /sqm	PV /sqm
SDF 3	14.268 sqm	1.181 sqm	98.616,00 €	111.809,03 €	21.054.074 €	8,14%	7,32 €	7,64 €	1.476 €
SDF 5	15.522 sqm	306 sqm	103.649,00 €	103.527,85 €	17.786.102 €	2,39%	6,64 €	6,61 €	1.146 €
SDF 6	20.540 sqm	0 sqm	118.494,00 €	123.446,03 €	18.441.725 €	0,00%	5,96 €	6,01 €	898 €
SDF 9	33.798 sqm	1.639 sqm	174.656,32 €	181.817,70 €	30.713.244 €	6,89%	5,63 €	5,54 €	870 €
SDF 12	9.768 sqm	0 sqm	102.318,63 €	104.625,35 €	20.791.068 €	0,00%	10,44 €	10,71 €	2.129 €
SDF 14	15.265 sqm	488 sqm	71.937,70 €	106.977,79 €	12.073.650 €	3,19%	4,80 €	7,08 €	790 €
SDF 15	29.494 sqm	9.639 sqm	101.613,74 €	172.199,84 €	19.559.571 €	32,68%	5,13 €	5,84 €	663 €
SDF 27	26.522 sqm	5.471 sqm	99.379,00 €	112.718,03 €	14.254.397 €	20,62%	4,29 €	4,25 €	537 €
SDF 16	20.918 sqm	2.005 sqm	118.762 €	186.201 €	19.280.901 €	9,58%	6,12 €	5,56 €	922 €
SDF 17	19.411 sqm	1.263 sqm	100.779 €	109.569 €	17.076.423 €	6,51%	5,88 €	5,46 €	927 €
SDF 18	15.468 sqm	1.237 sqm	104.166 €	106.582 €	20.690.535 €	8,00%	7,23 €	6,66 €	1.338 €
SDF 19	18.617 sqm	1.091 sqm	106.339 €	111.222 €	19.448.218 €	5,86%	6,17 €	6,07 €	1.045 €
SDF 20	6.301 sqm	419 sqm	44.646 €	46.553 €	10.013.990 €	6,65%	7,42 €	7,39 €	1.579 €
Total	316.907 sqm	26.746 sqm	1.274.798 €	1.487.699 €	251.401.278 €	16,87%	6,36 €	6,14 €	986 €

Sachverständigenbüro Dipl.-Volkswirt Walter Finger

Von der Industrie- und Handelskammer zu Berlin öffentlich bestellter und vereidigter Sachverständiger für Bewertung und Mieten von bebauten und unbebauten Grundstücken

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Berlin, 18 April 2006
Fi/cg

Report and Valuation –Office Buildings etc. Hildesheim

1. Introduction

On behalf of Valbonne Real Estate 8. B.V. and in my capacity as a valuer officially appointed and sworn in by the Berlin Chamber of Commerce and Industry for the valuation and leasing of developed and undeveloped land, I valued a total of three building complexes offered for sale by their then current owner Seelbinder GmbH Co. KG. The valuation was based on the fair-market valuation.

The portfolio comprised a total of:

3 buildings with commercial units
with total 5,332.58 m² floor space
(including basement).

I related the value of the individual building complexes to the usable floor space in m² as at the reference date of the fair-market valuation.

2. Inspection

The buildings were inspected on 23 May 2006 .

3. Compliance with valuation standards and principles

I confirm that the valuation was conducted in accordance with the relevant valuation standards and principles, specifically the provisions of the German Building Code (*'BauGB'*), the Value Appraisal Order (*'WertV'*) and the Value Appraisal Guidelines (*'WertR'*). The valuation standards and principles applied essentially comply with those of the Royal Institute of Chartered Surveyors ('RICS').

4. Status of valuation and conflicts of interest

I confirm that the valuation was conducted in accordance with my qualifications and that I have no business relationships with the client or the seller that could result in a potential conflict of interests.

5. Purpose of valuation

This report was made for the purpose of inclusion in a prospectus for a cmbs transaction.

6. Basis of valuation

6.1 Fair-market value

The portfolio has been valued in accordance with the provisions of the German Building Code.

In compliance with §194 of the German Building Code, the fair-market value of the properties has been determined on the basis of the price achievable at the time of the valuation in a normal business transaction, assuming the prevailing legal conditions and actual features and the state in other respects and location of the property, with no account being taken of any abnormal or personal relationships.

6.2 Taxes and costs

My valuation takes no account of any tax aspects. Similarly, no account has been taken of any purchase costs payable by the buyer.

7. Value-added tax

The valuation disregards any value-added tax payable.

8. Assumptions and sources of information

The assumptions and sources of information used derive from documentation provided by the client and the owner.

8.1 Survey

The facts relevant to the valuation were obtained from the extracts from the Property Register and Land Register made available to me. The charges registered in Section III of the Land Registry are not relevant to the valuation. The value is not affected to any meaningful extent by the charges registered in Section II of the Land Registry.
I have not surveyed the land for any liabilities dating back to the pre-unification period or relating to the soil's hydrology or carrying load. The stated fair-market value should consequently be adjusted accordingly if specialists subsequently discover the existence of such liabilities.

8.2 Structural condition

The structural condition of the buildings can be regarded as normal for buildings of their age. There is no evidence of any maintenance backlog that would affect the value. No report of structural damage was available to me at the time of the valuation. In these circumstances, therefore, there is no evidence of any factors affecting the value that would need to be taken into account.

8.3 Surface areas

I have not checked the surface areas stated in the rental lists at the location.

8.4 Construction and planning legislation

The properties are assumed to have been built in accordance with the provisions of the relevant construction and planning legislation.

8.5 Rental contract

A lease contract exists for the whole object, which has a lease term until 14 -12 -2019 (15 yr.) and can be renewed. The department of public administration ('Das Land Niedersachsen') is the tenant.

9. Portfolio

The value of the portfolio is based on the sustainable proceeds able to be generated by the properties and consequently relates to the commercial space available in the buildings. It was not possible to analyse any purchase transaction for comparative purposes.

10. Estimated value

Given the stated assumptions and circumstances, the total value of the portfolio is estimated to be:

€ 5,000,000

(in words: five million euros).

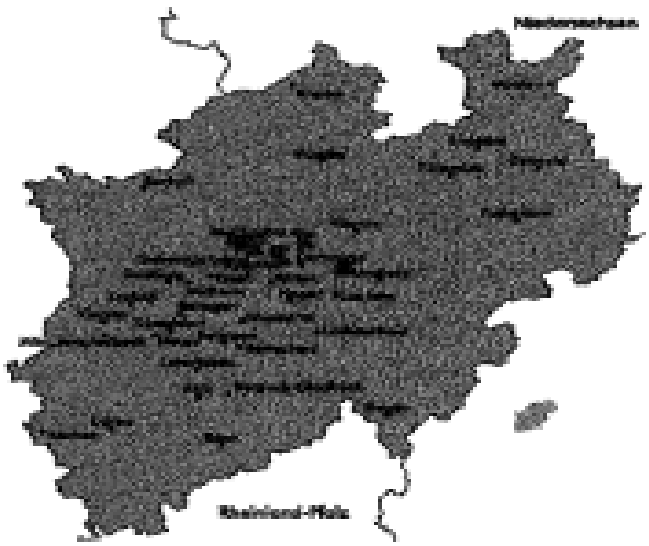
VALUATION SUMMARY

of

finding the
MARKET VALUE

RESIDENTIAL REAL ESTATE
PORTFOLIO

"ARSLAN"



BDO
BDO Deutsche Warentreuhand AG
Wirtschaftsprüfungsgesellschaft

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1 ENGAGEMENT

Subject to the offer no. 151105/2006, dated 10 Nov 2006 our

Principal:	NIBC BANK N.V. Carnegieplein 4 2517 KJ Den Haag
additional addresseee:	MESDAG (Charlie) B.V. Fred. Roeskestraat 123 1076 WE Amsterdam Stichting Note Trustee MESDAG (Charlie) Fred. Roeskestraat 123 1076 WE Amsterdam

assigned us, to create a valuation summary of the residential real estate portfolio "Arslan" that we, BDO DWT AG valued in Jun 2006.

Summary purpose:	securitisation and/or syndication of the financing in whole or in part
Object appraised:	residential real estate portfolio
Currency of valuation:	EUR

In accordance with our engagement, the valuation procedure in its form and content complies with the Red Book. The execution of the audit engagement and our responsibility—with respect to third parties—are subject to the General Terms of Auditors and Audit Companies in the version of 1 Jan 2002. In addition, it is subject to our special conditions for increase in the liability as part of the General Terms of 1 Jan 2002, attached to this report. The increase in liability does not apply to the extent that law for a professional service, esp. for a statutory audit, has prescribed a higher or lower liability amount. In this case, the statutory liability rule shall apply.

Further, data has been retrieved from the original valuation reports. Any appearing data must be seen in its total coherent. This summary does not include the total amount of information. The paper's purpose is not to arrive at conclusions but to summarise information for CMBS related parties that were not involved in the project's process.

Valuation Date

Valuation date	1 Jun 2006
Date of site inspection (Status cut-off date)	Jun 2006
Valuation completed	28 Jul 2006

2 CLUSTER BOCHUM

Macro Location

Federal State:	North Rhine Westphalia
State capital:	Düsseldorf
City (area):	Bochum (145,4 km²)
City and citizens:	379.867 citizens (31 Oct 2005)
Population density:	2.608 citizens /km² (city, 31 Oct 2005)
Social insured employees:	125.188 employees (city, 4th quarter 2004)

Economic Data	Bochum City	Germany in Average
Population prognosis 2020 (2004)	-9,0 %[1]	-0,8 %
Unemployment rate (May 2006)	14,3 %	10,8 %
Purchase power (2004)	105,0	100,0
Foreigners percentage: (31 Dec 2005)	8,8 %	8,8 %

Micro Location

All in all the locations of the valuation objects are to be estimated as medium to good. Most of the objects have a good connection to the public transportation system and to the road network. Convenient shops are available in the further surroundings. Because of the proximity to railway lines and industrial areas the quality of location for some objects is limited.

[1] Population prognosis compared with the state of 1 Jan 2002

The Properties

Bochum
Auf den Scheffeln 22

Year of construction: 1920 Renovation: 1998-2000

	Portfolio	Cluster	Share
# of Apartments	817	6	0,73%
Rental Area [m²]	51.823,03	346,62	0,67%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	21.682,00	0,68%
Net Income [EUR]	2.460.321,00	16.966,00	0,69%
MARKET VALUE [EUR]	**43.100.000,00**	**250.000,00**	**0,58%**
Gross Multiplier	13,57	11,53	n/a
Value/m² [EUR/m²]	831,68	721,25	n/a

Bochum
Gußstahlstraße 55, 59, 63

Year of construction: 1910 Renovation: 1992-1995

	Portfolio	Cluster	Share
# of Apartments	817	20	2,45%
Rental Area [m²]	51.823,03	1.148,67	2,22%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	70.812,00	2,23%
Net Income [EUR]	2.460.321,00	54.018,00	2,20%
MARKET VALUE [EUR]	**43.100.000,00**	**850.000,00**	**1,97%**
Gross Multiplier	13,57	12,00	n/a
Value/m² [EUR/m²]	831,68	739,99	n/a

Bochum
Weststraße 95, 97, 99

Year of construction: 1920 Renovation: 1998-2000

	Portfolio	Cluster	Share
# of Apartments	817	19	2,33%
Rental Area [m²]	51.823,03	989,20	1,91%
Vacancy [%]	0,14%	3,15%	n/a
Gross Income [EUR]	3.175.912,00	59.171,00	1,86%
Net Income [EUR]	2.460.321,00	44.318,00	1,80%
MARKET VALUE [EUR]	**43.100.000,00**	**750.000,00**	**1,74%**
Gross Multiplier	13,57	12,68	n/a
Value/m² [EUR/m²]	831,68	758,19	n/a

Bochum
An der Maarbrücke 2-6

Year of construction: 1950 Renovation: selective

	Portfolio	Cluster	Share
# of Apartments	817	15	1,84%
Rental Area [m²]	51.823,03	696,59	1,34%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	40.058,00	1,26%
Net Income [EUR]	2.460.321,00	29.241,00	1,19%
MARKET VALUE [EUR]	**43.100.000,00**	**450.000,00**	**1,04%**
Gross Multiplier	13,57	11,23	n/a
Value/m² [EUR/m²]	831,68	646,00	n/a

The valuation objects are apartment houses in different parts of the city of Bochum, constructed in the years between 1910 and 1950. The residential buildings have 2-3 storeys, partially with finished attics and all built in a, for the ages typical solid, traditional construction

method. Within the last 15 years, elementary refurbishment measures were implemented so that the valuation objects are mainly equipped with double glazing windows as well as modern heating systems, bathrooms and electrical installations.

3 CLUSTER DORTMUND

Macro Location

Federal State:	North Rhine-Westphalia
State capital:	Düsseldorf
City (area):	Countyless City of Dortmund (280 km²)
City and citizens:	Dortmund 585.678 citizens (2005)
Population density:	2.091 citizens /km² in Dortmund (2005)
Social insured employees:	189.900 employees in Dortmund (Mar 2005)

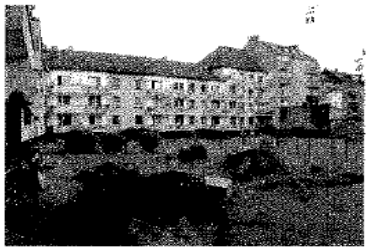
Economic Data	Dortmund City	Germany in Average
Population prognosis 2020 (compared to the year 2002)	-1,14 %	-0,8 %
Unemployment rate (Mar 2006) German average (Apr 2006)	17,4 %	10,8 %
Purchase power (2005)	97,1	100,0
Rate of immigrants (Dec 2005)	12,6 %	8,6 %[2]

Micro Location

The residential locations of the valuation objects are estimated as medium to good, sporadically as disadvantageous. A predominant part of the objects is well connected to public transport and to the road network. Shops providing for the daily demand are located within the wider vicinity. The direct neighborhood to railway lines, highly frequented roads or industrial plants partly depresses the location quality in case of singular locations.

[2] the German average relates to 31 Dec 2004.

The Properties



Dortmund
Rheinische Straße 224 - 230 (even), Ostermannstraße 2 - 8 (even)

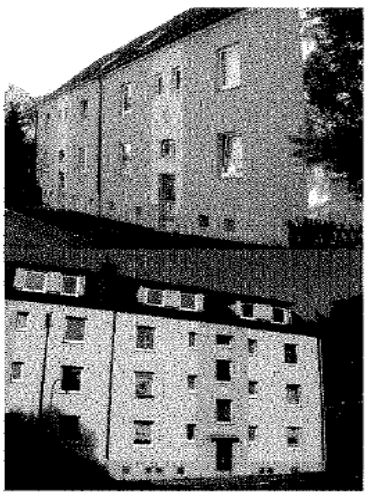
Year of construction: 1930 Renovation: 2000

	Portfolio	Cluster	Share
# of Apartments	817	53	6,49%
Rental Area [m²]	51.823,03	2.470,70	4,77%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	141.553,00	4,46%
Net Income [EUR]	2.460.321,00	105.711,00	4,30%
MARKET VALUE [EUR]	**43.100.000,00**	**1.650.000,00**	**3,83%**
Gross Multiplier	13,57	11,66	n/a
Value/m² [EUR/m²]	831,68	667,83	n/a

Dortmund
Fichtestraße 10 - 18 (even), Landwehrstraße 41, 43

Year of construction: 1930 Renovation: 2002

	Portfolio	Cluster	Share
# of Apartments	817	53	6,49%
Rental Area [m²]	51.823,03	2.496,98	4,82%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	138.310,00	4,35%
Net Income [EUR]	2.460.321,00	99.767,00	4,06%
MARKET VALUE [EUR]	**43.100.000,00**	**1.700.000,00**	**3,94%**
Gross Multiplier	13,57	12,29	n/a
Value/m² [EUR/m²]	831,68	680,82	n/a



Dortmund
Osterfeldstraße 13 - 21 (odd); 23 - 35 (odd),
Forellenweg 1 - 7 (odd); 2 - 8 (even); 9 - 17 (odd); 10 - 16 (even); 19 - 33 (odd),
Hechtweg 1 - 7 (odd); 2 - 8 (even); 9 - 17 (odd); 10 - 16 (even); 19 - 39 (odd),
Karpfenweg 1 - 7 (odd); 2 - 8 (even); 9 - 13

Year of construction: 1929 Renovation: 1999-2002

	Portfolio	Cluster	Share
# of Apartments	817	355	43,45%
Rental Area [m²]	51.823,03	22.839,50	44,07%
Vacancy [%]	0,14%	0,19%	n/a
Gross Income [EUR]	3.175.912,00	1.408.575,00	44,35%
Net Income [EUR]	2.460.321,00	1.104.427,00	44,89%
MARKET VALUE [EUR]	**43.100.000,00**	**20.150.000,00**	**46,75%**
Gross Multiplier	13,57	14,31	n/a
Value/m² [EUR/m²]	831,68	882,24	n/a

Dortmund Nettelbeckstraße 2; 4; 4a; 6; 8; 7 - 9; 11; 13, Scharnhorststraße 4			
Year of construction: 1936		Renovation: 1980	
	Portfolio	Cluster	Share
# of Apartments	817	75	9,18%
Rental Area [m²]	51.823,03	3.887,66	7,50%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	231.817,00	7,30%
Net Income [EUR]	2.460.321,00	173.372,00	7,05%
MARKET VALUE [EUR]	**43.100.000,00**	**2.700.000,00**	**6,26%**
Gross Multiplier	13,57	11,65	n/a
Value/m² [EUR/m²]	831,68	694,51	n/a

Dortmund Ringstraße 1a - 21d			
Year of construction: 1920		Renovation: 1998-1999	
	Portfolio	Cluster	Share
# of Apartments	817	63	7,71%
Rental Area [m²]	51.823,03	4.770,57	9,21%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	278.368,00	8,76%
Net Income [EUR]	2.460.321,00	218.360,00	8,88%
MARKET VALUE [EUR]	**43.100.000,00**	**4.150.000,00**	**9,63%**
Gross Multiplier	13,57	14,91	n/a
Value/m² [EUR/m²]	831,68	869,92	n/a

The valuation objects which were constructed between 1920 and 1936 are apartment buildings located in diverse districts of the City of Dortmund. The residential buildings have 2 to 4 storeys and additionally some have finished attic floors. They were erected in solid construction method as typical for their particular year of construction. In the last 10 to 26 years a fundamental modernisation was carried out. Since then, the valuation objects mostly have double glazing as well as modern heating systems, bathrooms and electric installations as well as a partly upgraded insulation of the facade.

4 CLUSTER GELSENKIRCHEN

Macro Location

Federal State:	North Rhine-Westphalia
State capital:	Düsseldorf
City (area):	Gelsenkirchen (104,86 km²)
City and citizens:	Gelsenkirchen 269.972 citizens in Gelsenkirchen, (31 Mar 2006)
Population density:	2.575 citizens/km² (Gelsenkirchen), (31 Mar 2006)
Social insured employees:	70.765 employees in Gelsenkirchen, (30 Jun 2005)

Key Data	Gelsen-kirchen	Germany in Average
Population prognosis 2020 (2004)	-13,2 %[3]	-0,8 %
Unemployment rate (May 2006)	18,0 %	10,8 %
Purchase power (2005)	86,0	100,0
Foreigners percentage: (31 Mar 2006)	13,0 %	8,8 %

Micro Location

The residential area can be classified as medium. All in all the location is affected by the railway line in the distance of 200 m, the firehouse in the direct vicinity and the missing shopping possibilities. The local public transport and traffic connection is good. In the near vicinity a children's playground is located.

The Properties

Gelsenkirchen
Freytagstraße 5 / Vohwinkelstraße 81-81a
Year of construction: 1930 Renovation: 1995-1998, 2006

	Portfolio	Cluster	Share
# of Apartments	817	21	2,57%
Rental Area [m²]	51.823,03	1.347,79	2,60%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	76.118,00	2,40%
Net Income [EUR]	2.460.321,00	57.049,00	2,32%
MARKET VALUE [EUR]	**43.100.000,00**	**800.000,00**	**1,86%**
Gross Multiplier	13,57	10,51	n/a
Value/m² [EUR/m²]	831,68	593,56	n/a

The valuation objects are apartment houses in the city of Gelsenkirchen, constructed in the year 1930. The residential buildings have 3 storeys, mainly with finished attics and all built in a, for the ages typical, solid traditional construction method. Within the years 1995 and 1998 elementary refurbishment measures were implemented so that the valuation objects are equipped with double glazing windows as well as modern heating systems, bathrooms and electrical installations.

[3] Population prognosis compared with the state of 1 Jan 2002

5 CLUSTER ISERLOHN

Macro Location

Federal State:	North Rhine-Westphalia
State capital:	Düsseldorf
County:	Märkischer Kreis
City (area) and citizens:	Iserlohn (125,60 km²) 101.568 citizens (Jun 2005)
Population density:	809 citizens /km² in Iserlohn (Jun 2005)
Social insured employees:	29.355 employees in Iserlohn (2004)

Key Data	Iserlohn /Märkischer Kreis	Germany in Average
Population prognosis 2020 Märkischer Kreis (2004)	- 1,7 %	- 0,8 %
Unemployment rate City of Iserlohn (May 2006)	11,3 %	10,8 %
Purchase power (2005)	109,3	100,0
Immigrants rate (31 Dec 2005)	9,88 %	8,8 %[4]

Micro Location

We estimate the residential location as medium. The location is positively influenced by the existent green spaces and forest areas within direct vicinity as well as by the good connection to the public transport system. The overall location quality is slightly influenced by the close distanced railway line, an aluminum factory, as well as the lack of shops within the closer vicinity.

[4] the German average relates to the 31 Dec 2004.

The Properties

Iserlohn Wulfeistraße 4			
Year of construction: 1960		Renovation: 2000	
	Portfolio	Cluster	Share
# of Apartments	817	13	1,59%
Rental Area [m²]	51.823,03	866,80	1,67%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	49.983,00	1,57%
Net Income [EUR]	2.460.321,00	39.559,00	1,61%
MARKET VALUE [EUR]	**43.100.000,00**	**650.000,00**	**1,51%**
Gross Multiplier	13,57	13,00	n/a
Value/m² [EUR/m²]	831,68	749,88	n/a

The valuation object is an apartment building located in the City of Iserlohn, which was constructed in the year 1960. The apartment building has 4 storeys and its attic floor is finished, the building was built in a solid construction method. In the year 2000 a fundamental modernisation was carried out - the valuation object currently is equipped with double glazing and a modern heating system, bathrooms, and electric installations.

6 CLUSTER HERNE

Macro Location

Federal State:	North Rhine-Westphalia
State capital:	Düsseldorf
City:	Herne
City/ town and citizens:	Herne (51,41 km²) 165.803 citizens (Apr 2006)
Population density:	3.225 citizens /km² in Herne (Apr 2006)
Social insured employees:	46.627 employees in Herne (2006)

Key Data	Herne City	Germany in Average
Population prognosis 2020	-9,8 %	-0,8 %
Unemployment rate (May 2006)	17,4 %	10,8 %
Purchase power (2005)	90,1	100,0
Rate of immigrants (2006)	12,5 %	8,8 %

Micro Location

We estimated the housing quality of the valuation object as good to medium. Most of the objects are well connected to the public transport system and road network. Shops offering daily products are present in the broader surrounding. The location quality of particular objects is slightly influenced by their location near the railway line.

The Properties

Herne
Eickeler Bruch 142-146 (even), Ulmenstraße 5, 11, 12,
Year of construction: 1920 Renovation: 1995-2000

	Portfolio	Cluster	Share
# of Apartments	817	23	2,82%
Rental Area [m²]	51.823,03	1.442,96	2,78%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	89.405,00	2,82%
Net Income [EUR]	2.460.321,00	67.975,00	2,76%
MARKET VALUE [EUR]	**43.100.000,00**	**950.000,00**	**2,20%**
Gross Multiplier	13,57	10,63	n/a
Value/m² [EUR/m²]	831,68	658,37	n/a

Herne
Mont-Cenis-Straße 306-308, Saarstraße 37-51, Im Braunskamp 1
Year of construction: 1930 Renovation: 1998-2000

	Portfolio	Cluster	Share
# of Apartments	817	62	7,59%
# of Shops	6	1	16,67%
Rental Area [m²]	51.933,10	4.557,05	8,77%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	268.925,00	8,47%
Net Income [EUR]	2.460.321,00	210.733,00	8,57%
MARKET VALUE [EUR]	**43.100.000,00**	**3.550.000,00**	**8,24%**
Gross Multiplier	13,57	13,20	n/a
Value/m² [EUR/m²]	829,91	779,01	n/a

The valuation object is an apartment building as well as an apartment building with commercial units located in the City of Herne, which were constructed in between 1920-1930. The apartment buildings have 1 to 3 storeys and have partial developed attics. The buildings were built in a, for the age typical, solid construction method. In between 1995 and 2000 a fundamental modernisation was carried out - the valuation object now is equipped with double glazing and a modern heating system, bathrooms, electric installation and a partially thermally insulated facade.

7 CLUSTER WITTEN

Macro Location

Federal State:	North Rhein-Westphalia
State capital:	Düsseldorf
County:	Ennepe-Ruhr-Kreis
City/ town and citizens:	Witten 101.588 citizens (31 Dec 2005)
Area:	City of Witten: 72,4 km² (31 Dec 2005)
Population density:	1.403 citizens /km² in the city of Witten (31 Dec 2005)
Social insured employees	28.607 employees in the city of Witten (30 Jun 2004)

Key Data	Witten City	Germany in Average
Population prognosis 2020 (Ennepe-Ruhr-Kreis)	-6,6 %	-0,8 %
Unemployment rate (Apr 2006)	12,4 %	10,8 %
Purchase power (2005)	106,5	100,0
Foreigners rate (30 Jun 2005)	8,2 %	8,6 %

Micro Location

All in all the locations of the valuation objects are to be estimated as good. The objects have a good connection to public transportation system and to the road network. Convenient stores are available in the near vicinity.

The Properties

Witten
Berliner Straße 7

Year of construction: 1976 Renovation: 2000

	Portfolio	Cluster	Share
# of Apartments / Offices	817	16	1,96%
# of Shops	6	5	83,3 %
Rental Area [m²]	51.933,10	2.252,00	4,34%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	179.987,00	5,67%
Net Income [EUR]	2.460.321,00	151.289,00	6,15%
MARKET VALUE [EUR]	**43.100.000,00**	**2.850.000,00**	**6,61%**
Gross Multiplier	13,57	15,83	n/a
Value/m² [EUR/m²]	829,91	1.265,54	n/a

Witten
Eckardtstraße 138-144 (even)

Year of construction: 1900 Renovation: 1995-2002

	Portfolio	Cluster	Share
# of Apartments	817	23	2,82%
Rental Area [m²]	51.823,03	1.820,01	3,51%
Vacancy [%]	0,14%	0,00%	n/a
Gross Income [EUR]	3.175.912,00	121.148,00	3,81%
Net Income [EUR]	2.460.321,00	87.536,00	3,56%
MARKET VALUE [EUR]	**43.100.000,00**	**1.650.000,00**	**3,83%**
Gross Multiplier	13,57	13,62	n/a
Value/m² [EUR/m²]	831,68	906,59	n/a

The valuation objects are apartment houses as well as one residential and commercial building in the city of Witten, constructed in the year 1900 and 1976, respectively. The residential buildings are 1 to 6 storeyed, some with finished attics and all built in a solid construction method. During the years 1995 and 2002 elementary refurbishment measures were implemented so that the valuation objects are equipped with double glazing windows as well as modern heating systems, bathrooms, electrical installations and partially thermal insulated facades.

8 CLUSTER SUMMARY

The following were determined:

CLUSTER	MARKET VALUE
Bochum:	2.300.000,00
Dortmund:	30.350.000,00
Gelsenkirchen:	800.000,00
Iserlohn:	650.000,00
Herne:	4.500.000,00
Witten:	4.500.000,00
TOTAL:	**43.100.000,00**

9 DERIVATION OF THE MARKET VALUE

Property Transaction Costs

In this valuation the capitalization rate to determine the residual terminal value was chosen depending on the property yield,. In Germany, the local committee of expert valuers derives property yields from statistical data based on real purchase prices but without consideration of transaction costs. Therefore the determination of the property yield does not consider transaction costs. To remain in line with the valuation model transaction costs must not be subtracted from the Market Value.

Value Determined

The Market Value of the developed residential real estate portfolio "Arsian", has been estimated as:

EUR 43.100.000,00

(In words: forty-three million one hundred thousand EUR)

Keys Figures

Key Figures based on the Initial (1st) Period

Area Data	
Usable/Rental Space in m²	51.823,03 m²
Usable/Rental Space in ft²	557.818,45 ft²
Income and Expense	
Gross Income	3.175.912,00 EUR p.a.
Net Income	2.460.321,00 EUR p.a.
Net Income - in % of Gross Income	77,47 %
Market Value and Key Figures	
Market Value - Total	43.100.000,00 EUR
Market Value - per m² Usable/Rental Space	831,68 EUR/m²
Market Value - per ft² Usable/Rental Space	77,27 EUR/ft²
Gross Income - per m² Usable/Rental Space and Month	5,11 EUR/m²/m
Gross Income - in % of Market Value	7,37 %
Net Income - per m² Usable/Rental Space and Month	3,96 EUR/m²/m
Net Income - in % of Market Value (Going-In Cap Rate)	5,71 %
Key Figures	
Gross Multiplier	13,6 x
Net Multiplier	17,5 x

Notice Regarding the Valuation

The valuation procedure as applied in the original valuation report complies with the Red Book.

This summary report is only an abstract of the valuation reports prepared by us. It was made for the purpose of inclusion in a prospectus for a CMBS transaction.

Taxes (including a potential proportionate sales tax; sales tax 16 %, as on the valuation date) as well as the costs of capital (including interest on debt) are both factors not considered in the determination of the Market Value.

Furthermore, the Market Value does not recognize additional acquisition costs classified as type 120 costs according to DIN 276 - edition June 1993.

10 FINAL REMARKS

We have given account of the Market Value of the valuation objects on the valuation date to the best of our knowledge on the basis of thorough inquiries as well as the written and oral information presented to us, and guided by the principles applying to the auditor profession.

Berlin, 16. Februar 2007

BDO Deutsche Warentreuhand

Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft

Dr. Rosenbaum

ppa. Erkens

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