

OFFERING CIRCULAR DATED 23 July 2007

MESDAG (Delta) B.V.

(incorporated as a private company with limited liability under the laws of the Netherlands with corporate seat in Amsterdam)

- € 398,150,000 Senior Class A Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.
- € 50,000 Class X Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.
- € 47,100,000 Mezzanine Class B Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.
- € 53,550,000 Mezzanine Class C Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.
- € 64,300,000 Junior Class D Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.
- € 49,200,000 Junior Class E Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.
- € 26,050,000 Subordinated Class F Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.

MESDAG (DELTA) B.V. (the "Issuer"), a company incorporated under the laws of the Netherlands, having its registered seat in Amsterdam will issue € 398,150,000 Senior Class A Commercial Mortgage-Backed Floating Rate Notes 2007 due 2020 (the "Senior Class A Notes"), € 50,000 Class X Commercial Mortgage-Backed Floating Rate Notes 2007 due 2020 (the "Class X Notes"), € 47,100,000 Mezzanine Class B Commercial Mortgage-Backed Floating Rate Notes 2007 due 2020 (the "Mezzanine Class B Notes"), € 53,550,000 Mezzanine Class C Commercial Mortgage-Backed Floating Rate Notes 2007 due 2020 (the "Mezzanine Class C Notes"), € 64,300,000 Junior Class D Commercial Mortgage-Backed Floating Rate Notes 2007 due 2020 (the "Junior Class D Notes"), € 49,200,000 Junior Class E Commercial Mortgage-Backed Floating Rate Notes 2007 due 2020 (the "Junior Class E Notes") and € 26,050,000 Subordinated Class F Commercial Mortgage-Backed Floating Rate Notes 2007 due 2020 (the "Subordinated Class F Notes") and together with the Senior Class A Notes, the Class X Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior D Notes, and the Junior Class E Notes, the "Notes") on 25 July 2007 or such date as the Issuer may agree with the Lead Managers (as defined herein).

This Offering Circular constitutes a prospectus for the purposes of Article 5 of the Directive 2003/71/EC (the "Prospectus Directive"). References throughout this document to the Offering Circular should be taken to read "Prospectus" for such purpose. Application has been made to the Irish Financial Services Regulatory Authority (the "Financial Regulator in Ireland"), as competent authority under the Prospectus Directive, for the Prospectus to be approved. The approval from the Financial Regulator in Ireland relates only to the Notes which are to be admitted to trading on the regulated market of The Irish Stock Exchange Limited (the "Irish Stock Exchange"). Application has been made to the Irish Stock Exchange for the Notes (other than the Class X Notes) to be admitted to the Official List and to trading on its regulated market. There can be no assurance that such a listing will be obtained.

The Notes are expected, on issue, to be assigned the relevant ratings by Fitch Ratings Ltd. ("Fitch") and Standard & Poors Rating Services, a division of the McGraw-Hill Companies, Inc. ("S&P") respectively, as set out opposite the relevant Class in the table below. 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. For a discussion of some of the risks associated with an investment in the Notes, see section *Risk Factors* herein.

The Notes and interest accrued on the Notes will not be obligations or responsibilities of any person other than the Issuer. Interest on the Notes will, be payable quarterly in arrear in euro on the 25th day of April, July, October and January, of each year (subject to adjustment for non-business days), except for the interest payable in the Notes Interest Period (as defined below) commencing in October 2016, in respect of which the interest on the Notes will be due payable on the 28th day of December 2016 (subject to adjustment for non-business days) (each such day being a "Notes Interest Payment Date"). The first Notes Interest Payment Date will be the Notes Interest Payment Date falling in October 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 Euribor (as defined in the Conditions) for three month deposits (except for the interest period commencing on (i) the interest period commencing on the Notes Interest Payment Date falling in October 2006 and ending on the Notes Interest Payment Date falling in December 2016 and (ii) the Notes Interest Payment Date falling in 28 December 2016 and ending on the Notes Interest Payment Date falling in January 2017, in respect of which the interest rate will be an interpolated rate determined by reference to Euribor as further described in the Conditions. Each margin is as set out in the table below:

Class of Notes	Initial Principal Amount	Margin (per cent.)	Maturity Date	S&P/Fitch
Senior Class A	€ 398,150,000	0.24	25/01/2020	AAA/AAA
Class X	€ 50,000	-(*)	25/01/2020	AAA/AAA
Mezzanine Class B	€ 47,100,000	0.28	25/01/2020	AA+/AA
Mezzanine Class C	€ 53,550,000	0.55	25/01/2020	AA/A
Junior Class D	€ 64,300,000	0.90	25/01/2020	A/BBB
Junior Class E	€ 49,200,000	1.10	25/01/2020	BBB/BBB-
Subordinated Class F	€ 26,050,000	1.35	25/01/2020	BBB-/NR

(*) The Class X Notes will bear interest at a variable rate as set out in Condition 4(d) (*Interest on the Class X Notes*).

Payments of principal on the Notes (other than the Class X Notes) will be made quarterly on each Notes Interest Payment Date in the circumstances set out in, and subject to and in accordance with the Conditions. Subject to and in accordance with the Conditions the Issuer will have the option to redeem all of the Notes, in whole but not in part, at their Principal Amount Outstanding (as defined herein).

The holders of the Notes (the "Noteholders") and the other Issuer Security Beneficiaries (as defined herein) will, subject to the priorities described in this Offering Circular, benefit from the security provided to the Issuer Security Trustee (as defined herein) in the form of a pledge over the rights of the Issuer under, *inter alia*, the Facilities Agreement (as defined herein) and a pledge over substantially all of the assets of the Issuer in the manner as more fully described herein under *Description of Security*. The right to payment of interest and principal on the Notes may be limited as more fully described herein under section *Terms and Conditions of the Notes*.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (the "ICSD's") as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes of each Class will be initially represented by a temporary global note in bearer form (each a "Temporary Global Note"), without coupons in bearer form, which will be deposited 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 or about the issue date of the Notes. Interests in each Temporary Global Note will be exchangeable for interests in a permanent global note (each a "Permanent Global Note"), without coupons attached (the expression "Global Notes" means each Temporary Global Note and each Permanent Global Note and the expression "Global Note" means the Temporary Global Note or the Permanent Global Note, as the context may require), not earlier than forty (40) days after the Closing Date (as defined herein) upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will, in certain limited circumstances, be exchangeable for Definitive Notes in bearer form as described in the Conditions.

See the section *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.

For the page reference of the definitions of capitalised terms used herein see Index of Terms.

Arranger

NIBC BANK N.V.

Joint Lead Managers

NIBC BANK N.V.

Fortis Bank N.V./S.A.

IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Offering Circular other than the information described in the following paragraphs. To the best 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 (other than the information described in the following paragraph) is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

NIBC Bank N.V. ("**NIBC**") accepts responsibility for the information contained in the section of this Offering Circular entitled "*Key Parties and Summary of Principal Feature*" and "*Key Terms of the Facilities Agreement and the Senior Loan*" solely insofar as the same relates to it (the "**Initial Lender Information**"). To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the Initial Lender Information is in accordance with the facts and does not omit anything likely to affect the import of such information. NIBC accepts responsibility accordingly.

No person is or has been authorised in connection with the issue and sale of the Notes to give any information or to make any representation not contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Joint Lead Managers, the Servicer, the Special Servicer, the Issuer, the Borrower Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Security Agent, the Issuer Security Trustee, the Issuer Account Bank, the Directors, the Paying Agents, the Calculation Agent, the Listing Agent, the Liquidity Facility Provider, the Shareholder or any of the other Issuer Security Beneficiary. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the information contained herein since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The Notes and interest thereon will be solely the obligations and responsibilities of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Joint Lead Managers, the Borrower Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Security Agent, the Issuer Account Bank, the Liquidity Facility Provider, the Paying Agents, the Calculation Agent, the Listing Agent, the Security Agent, the Issuer Security Trustee, the Servicer, the Special Servicer, the Directors, the Shareholders, or except for certain limited obligations under the Trust Deed as more fully described under section *Description of Security*, the Issuer Security Trustee, and none of such persons accepts any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due and payable under the Notes.

This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy 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 document and the offering of the Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Offering Circular (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular is set out in section *Subscription and Sale* below. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Offering Circular in accordance with applicable laws and regulations.

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

The obligations of the parties to the transactions contemplated herein are set forth in and will be governed by certain documents described herein, and all of the statements and information contained herein are qualified in their entirety by reference to such documents. This Offering Circular contains summaries, which the Issuer believes to be accurate, of certain of these documents. Between the respective parties to such documents, the terms and conditions of the relevant documents prevail in the event of any discrepancies between the description contained in this Offering Circular and the terms and conditions of any of the relevant agreements. For a complete description of the rights and obligations summarised herein, reference is hereby made to the actual documents, copies of which may (on giving reasonable notice) be obtained from the Issuer Security Trustee and the Principal Paying Agent.

The Joint Lead Managers expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any 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 include Notes in bearer form that are subject to United States tax law requirements. The Notes may not be offered, sold or delivered within the United States or to United States persons, except in certain transactions permitted by US tax regulations and Regulation S under the Securities Act (see section *Subscription and Sale* below). The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any state securities or any other regulatory authority, nor have any of the

foregoing authorities passed upon or destroyed the merits of this offering on accuracy or adequacy of this Offering Circular. Any representation to the contrary is unlawful.

In connection with the issue of the Notes, NIBC or any other duly appointed person acting for NIBC may effect transactions with a view to stabilise or maintain the market price of the Notes at a level that might not otherwise prevail for a limited period after the issue date. However, there is no obligation on NIBC to undertake these actions. 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 commenced, may be discontinued at any time but will, in accordance with all applicable laws in any event be discontinued no later than the earlier of 30 (thirty) days after the issue date of the Notes. Any loss or profit sustained as a consequence of any stabilising shall be for the account of NIBC.

All references in this Offering Circular to "€", "EUR" and "euro" refer to the single currency which was introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended by the Treaty on European Union).

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In this Offering Circular, any reference to a party to a Finance Document or Transaction Document shall be construed so as to include its successors in title, permitted assigns and permitted transferees and words and expressions importing the singular shall, where the context permits or requires, include the plural and vice versa.

An index of defined terms, which contains a reference to the pages on which these terms are defined, can be found in the Index of Terms attached to this Offering Circular.

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TRANSACTION SUMMARY

The following is a summary of the principal features of the transaction described in this Offering Circular including the issue of the Notes. The information in this section does not purport to be complete. This summary should be read solely as an introduction to and in conjunction with, and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular. Prospective Noteholders are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Offering Circular and the Conditions and Transaction Documents referred to therein in making any decision whether or not to invest in any Notes. If a claim relating to the information contained in this Offering Circular will be brought before a competent court, the plaintiff investor will, subject to the legal requirement of the relevant member state of the European Economic Area, have to bear the costs of translating this Offering Circular before the legal proceedings are initiated. Civil liability in respect of this summary will only attach to the Issuer if this summary is misleading, incorrect or inconsistent when read in such manner as indicated above.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, via the Index of Terms unless otherwise stated.

Risk Factors

There are certain risk factors which the prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes, such as (but not limited to) the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Senior Loan and the receipt by it of other funds. Despite certain facilities, there remains a credit risk, liquidity risk, prepayment risk and maturity risk relating to the Notes (see further section *Risk Factors*).

Transaction Overview

On 28 December 2006 (the "**Loan Closing Date**"), a facilities agreement (such agreement as amended, restated and supplemented from time to time, the "**Facilities Agreement**") has been entered into by, among others, NIBC in its capacity as one of the initial lenders and as facility agent, security agent, arranger and swap counterparty pursuant to which a euro term loan facility in an aggregate principal amount of EUR 686,500,000 has been made available to the Borrowers. As at the date hereof, the aggregate outstanding principal amount of the loan made available under the Facilities Agreement amounts to EUR 679,161,960 (such loan hereinafter the "**Whole Loan**").

On the Closing Date, the Whole Loan will be tranching into two separate tranches, being the "**Senior Loan**", having a principal balance as of 1 April 2007 (the "**Cut-Off Date**") of EUR 638,350,000 and the "**Subordinated Loan**" having a principal balance as of the Cut-Off Date of EUR 40,811,960. Each of the Senior Loan and the Subordinated Loan are hereinafter referred to as a "**Loan**". NIBC (in its capacity as Initial Lender) will transfer and assign, by means of a contract transfer (*contractsoverneming*), all of its rights and obligations with respect to the

Senior Loan to the Issuer in accordance with the terms of a transfer agreement (the "**Loan Transfer Agreement**").

The Subordinated Loan will not be acquired by the Issuer, but will be retained by the Initial Lender (in its capacity as Subordinated Lender) or be sold by the Initial Lender to and acquired by one or more other Subordinated Lenders (each a "**Subordinated Lender**" and collectively the "**Subordinated Lenders**").

On or about the Closing Date, the Issuer, as lender in respect of the Senior Loan (the "**Senior Lender**") will enter into an intercreditor agreement (the "**Intercreditor Deed**") with, among others, the relevant Subordinated Lenders. The Intercreditor Deed will regulate the claims between the Senior Lender and the Subordinated Lenders as to payments, subordination and priority in relation to the Whole Loan and the Loan Security. For further information about the Intercreditor Deed see section *Intercreditor Deed* below.

In order to ensure the valid creation of the security rights under Dutch law in favour of the Security Agent, each of the Obligors has irrevocably and unconditionally undertaken to pay to the Security Agent an amount equal to the amount of each payment obligation of that Obligor to the Finance Parties (and as defined in the Facilities Agreement, each a "**Finance Party**" and collectively the "**Finance Parties**") under any Finance Document as and when those amounts are due (the "**Borrower Parallel Debt**").

Pursuant to various security agreements dated on or about the Loan Closing Date, as amended, supplemented or restated from time to time, each of the Obligors has granted first ranking security interests over (part of) their assets in favour of NIBC (in its capacity as Security Agent) to secure the Obligors' obligations under the Borrower Parallel Debt. This includes, *inter alia*, a first priority mortgage right (*hypothekerecht*) over a portfolio of commercial properties which are all located in the Netherlands and which are more fully described in section *Description of the Properties* below (together the "**Properties**" and each a "**Property**") and certain other security interests (including pledges of lease receivables and pledges over the shares in the capital of the Borrowers (to the extent a Borrower is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*)) or pledges over the interest in the limited partnership agreement (to the extent a Borrower is a limited partnership (*commanditaire vennootschap*)). These security interests are referred to as the "**Loan Security**".

On the Closing Date, NIBC (in its capacity as initial security agent) will enter into a agreement (the "**Borrower Parallel Debt Transfer Agreement**") with, *inter alia*, Stichting Security Agent MESDAG (Delta) pursuant to which (i) NIBC will resign as security agent and Stichting Security Agent MESDAG (Delta) will be appointed as security agent in its place and (ii) NIBC will transfer and assign all its rights and obligations as security agent under the Facilities Agreement, including the Borrower Parallel Debt to the newly appointed security agent. Consequently, as of the Closing Date, Stichting Security Agent MESDAG (Delta) in its capacity as Security Agent, will become the sole creditor in respect of the Borrower Parallel Debt and will hold the rights in respect of the Loan Security on behalf of each of the Finance Parties under the Facilities Agreement (which includes the Issuer as the lender of the Senior Loan). See further section

Credit Structure – Loan Transfer Agreement – Borrower Parallel Debt Transfer Agreement, below.

The Issuer will use the proceeds of the issue of the Notes to acquire the Senior Loan and any rights relating thereto, including its rights relating to the Borrower Parallel Debt. The proceeds of the issue of the Class X Notes will on the Closing Date be deposited in the Class X Principal Account to secure the payment of principal to the holders of the Class X Notes in accordance with the Conditions.

Subject to the terms of the Facilities Agreement, the rental income generated by the Properties and any income arising out of a disposal of any of the Properties by the Borrowers, will be applied by the Borrowers, among other things, in or towards making payments of interest on and, if applicable, mandatory repayments of principal in respect of the Senior Loan to the Issuer. Payments of interest on and repayments of principal in respect of the Notes will thus be funded, directly, from, *inter alia*, the rental income or disposal proceeds, as the case may be, such receipts of principal and interest in respect of the Senior Loan, together with certain other funds available to it (as described elsewhere in this Offering Circular) constitute primary sources from which payments of interest on and repayments of principal in respect of the Notes and the Issuer Security Beneficiaries will be made.

To secure the payments to, *inter alia*, the holders of the Notes, the Issuer (as Senior Lender) will enter into various pledge agreements including but not limited to a first ranking disclosed pledge in favour of the Issuer Security Trustee over its rights under (i) the Facilities Agreement, including all its rights against the Security Agent as its agent under and in connection with the Borrower Parallel Debt, (ii) the Loan Transfer Agreement and (iii) the Intercreditor Deed.

In order to ensure the valid creation of the security rights under Dutch law in favour of the Issuer Security Trustee, the Issuer has undertaken in the Trust Deed to pay to the Issuer Security Trustee, by way of a parallel debt obligation, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Issuer Security Beneficiaries pursuant to the relevant Transaction Documents.

The Trust Deed sets out the priority of the claims of the Issuer Security Beneficiaries. See for a more detailed section *Description of Security* below.

Interest on Senior Loan will be payable quarterly in arrear at a floating rate and is calculated by reference to Euribor for three-months euro deposits plus a margin. If on the Loan Step-Up Date the Senior Loan is not repaid in full, the margin for the Senior Loan will increase. The Borrowers have entered into, and are required, under the terms of the Facilities Agreement, to maintain interest rate hedging arrangements to ensure that the Borrowers will be able to continue to make payments of interest on each Facility notwithstanding variations in the floating rate of interest payable by the Borrowers (see further section *Key Terms of the Facilities Agreement and the Senior Loan*).

The Issuer will use receipts of principal and interest it receives under the Senior Loan, together with amounts it receives under the Liquidity Facility Agreement and the Issuer Account Bank

Agreement to make payments of, *inter alia*, interest and principal on the Notes (other than on the Class X Notes, in respect of which no principal will be paid, except as provided in Condition 6 (*Redemption*)). It is of note that the obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments. Furthermore the right to payment of principal and interest on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes will be subordinated to payment of principal on the Senior Class A Notes and to payment of interest on the Senior Class A Notes and the Class X Notes and may be limited as more fully described herein under the section *Terms and Conditions of the Notes*.

Optional Redemption of the Notes

The Issuer may (but is not obliged to) redeem all of the Notes in whole but not in part, in the event of certain tax changes affecting the Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority of the Notes. In addition, the Notes may be redeemed by the Issuer in whole but not in part, following the exercise by the Issuer of the Clean-up Call Option, in the event of certain tax changes affecting the Notes and certain other circumstances as further described in Condition 6 (*Redemption*).

KEY PARTIES AND SUMMARY OF PRINCIPAL FEATURES

Principal features of the issue of the Notes

The following information is a summary of the principal features of the issue of the Notes. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere in this document. Certain terms used in this summary are defined elsewhere in this document. Reference is made to the Index of Terms.

The Parties:

Issuer: MESDAG (Delta) B.V. (the "**Issuer**" or the "**Senior Lender**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its corporate seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34274423.

The entire issued share capital of the Issuer is held by the Shareholder.

Initial Lender: NIBC Bank N.V. ("**NIBC**"), a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its corporate seat in The Hague, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for The Hague, under number 27032036 in its capacity as the sole lender of the Whole Loan immediately preceding the Closing Date (in such capacity the "**Initial Lender**").

Sponsor: Brevast B.V. (the "**Sponsor**").

Borrower: Each of the Facility A Borrowers or the Facility B Borrower (each as defined in Schedule 1 (The Borrowers) hereto).

Parent: Brevast B.V., (the "**Parent**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade register of the Chamber of Commerce for Amsterdam under number 30037036.

Guarantor: Pursuant to the Facilities Agreement, Hypermarkten Holland B.V. (the "**Guarantor**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*)

incorporated under the laws of the Netherlands and registered with the trade register of the Chamber of Commerce for Oost-Brabant under number 32081313, has, *inter alia*, irrevocably and unconditionally guaranteed to each Finance Party punctual performance (when the corresponding obligation is due and payable) by each Obligor of all that Obligor's obligations under the Finance Documents.

Hypermarkten Holland B.V. is the holder of the leasehold rights relating to the Properties listed in Schedule 2 (the Properties) under part B (the Veegtes Portfolio). The Facility B Borrower holds the beneficial interest in respect of these Properties

Telined Beheer B.V. is the holder of the leasehold rights relating to the Property listed under item 63 in the overview of the description of each Property in the section *Description of the Properties*. Breevast Properties I B.V. holds the beneficial interest in respect of this Property.

Prior to the Closing Date, Telined Beheer B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade register of the Chamber of Commerce for Amsterdam under number 17094641 has pursuant to a deed of mortgage (the "**Telined Mortgage**") created a mortgage over the relevant Property in favour of NIBC in its capacity as security agent under the Finance Documents to secure the obligations of the Obligor under the Finance Documents, including the obligations arising out of the Borrower Parallel Debt.

Security Agent:

NIBC or following its appointment on the Closing Date as the new security agent pursuant to the Borrower Parallel Debt Transfer Agreement, Stichting Security Agent MESDAG (Delta), a foundation (*stichting*) established under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34275047 will, acting as the Security Agent (the "**Security Agent**") on behalf of itself, the Issuer (as Senior Lender), the Borrower Swap Counterparty, the Facility Agent and the Subordinated Lenders (each such party a "**Finance Party**" and collectively the "**Finance Parties**") in respect of their respective rights under the Finance Documents (as defined herein).

Stichting Security Agent MESDAG (Delta) is a foundation

	<p>established on 1 June 2007 under the laws of the Netherlands for the sole purpose to act as security agent and/or trustee under the Facilities Agreement, to become the sole creditor of the Borrower Parallel Debt, to acquire and hold the related Loan Security for the benefit of the Finance Parties (which includes the Senior Lender) and to perform acts which are related or incidental to the foregoing.</p>
Facility Agent:	<p>NIBC in its capacity as facility agent (the "Facility Agent") under the Finance Documents</p>
Issuer Security Trustee:	<p>Stichting Security Trustee MESDAG (Delta), a foundation (<i>stichting</i>) established under the laws of the Netherlands, having its seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34275042, will act as the Issuer Security Trustee (the "Issuer Security Trustee") for the holders of the Notes (other than the Class X Notes (as to principal only) and each of the other Issuer Security Beneficiaries pursuant to the terms and conditions of the trust deed to be entered into on or about the Closing Date between the Issuer and the Issuer Security Trustee (the "Trust Deed").</p>
Issuer Security Beneficiaries:	<p>Each of (i) the Noteholders (other than the those of the Class X Notes (in respect of principal only)), (ii) the Joint Lead Managers as initial Noteholders, (iii) the Directors, (iv) the Servicer, (v) the Special Servicer, (vi) the Paying Agents, (vii) the Calculation Agent, (viii) the Liquidity Facility Provider, (ix) the Issuer Account Bank and (x) the Initial Lender (for amounts due under the Loan Transfer Agreement) (collectively the "Issuer Security Beneficiaries").</p>
Servicer:	<p>NIBC will act as servicer in respect of the Whole Loan (in such capacity the "Servicer") under the terms of a servicing agreement to be entered into on or about the Closing Date between, <i>inter alia</i>, the Issuer, the Servicer, the Facility Agent, the Security Agent, the Special Servicer and the Issuer Security Trustee (the "Servicing Agreement").</p>
Special Servicer:	<p>Hatfield Philips International Limited, a company incorporated under the laws of England, acting out of its office at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB will act as special servicer in respect of the Senior Loan (in such capacity the "Special Servicer") under the terms of the Servicing Agreement.</p>
	<p>In certain circumstances relating to the default by, or the</p>

occurrence of insolvency-related events in relation to a Borrower, as further described in the section "*Servicing*" herein, the servicing of the Whole Loan and the Loan Security (if applicable) will be transferred to the Special Servicer. If the servicing of the Whole Loan is transferred to the Special Servicer, the Special Servicer will assume certain servicing functions with respect to the Whole Loan in accordance with the Servicing Agreement. The Controlling Party with respect to the Whole Loan will from time to time be entitled, subject to certain limitations, to require the Issuer or the Issuer Security Trustee to terminate the appointment of a person as Special Servicer with respect to the Whole Loan and to direct the Issuer Security Trustee to appoint a replacement which is acceptable to the Controlling Party.

Controlling Party:

In respect of the Whole Loan, the controlling party (the "**Controlling Party**") means:

- (i) the Subordinated Lenders, provided no Control Valuation Event is continuing; or
- (ii) the Controlling Class, if a Control Valuation Event is continuing.

Controlling Class:

The "**Controlling Class**" of Notes means at any time, the holders of the most junior ranking class of Notes then outstanding (other than the Class X Notes) having a Principal Amount Outstanding (as defined in the Conditions) that is not less than 25 per cent. of the Principal Amount Outstanding of that Class as at the Closing Date. If no Class of Notes has a Principal Amount Outstanding that satisfies this requirement, then the Controlling Class will be the most junior Class of Notes then outstanding. Pursuant to the Servicing Agreement, the Issuer Security Trustee shall determine which Class of Notes meets the criteria of the Controlling Class.

The Conditions and the Servicing Agreement permit the Controlling Class to appoint a representative (the "**Operating Advisor**") to represent the interests of the Controlling Class or, with such appointment effective upon written notice to the Issuer Security Trustee, the Servicer and the Special Servicer (attaching a copy of the instrument appointing the Operating Advisor).

Issuer Account Bank:

ING Bank N.V. ("**ING Bank**") will act as issuer account bank and floating rate guaranteed interest contract provider (in such capacity the "**Issuer Account Bank**") under the terms of the floating rate guaranteed interest contract to be entered into on or about the Closing Date by and between the Issuer, the Issuer

	<p>Account Bank and the Issuer Security Trustee (the "Issuer Account Bank Agreement").</p> <p>The long term, unsecured, unsubordinated debt obligations of ING Bank are rated "AA" by S&P and "AA" by Fitch and the short term, unsecured, unsubordinated debt obligations of ING Bank N.V. are rated "A-1+" by S&P and "F1+" by Fitch.</p>
Liquidity Facility Provider:	<p>Fortis Bank N.V./S.A. ("Fortis Bank"), a <i>naamloze vennootschap/société anonyme</i> incorporated under Belgian law, having its registered office at Montagne du Parc 3, 1000 Brussels, Belgium, will act as the liquidity facility provider (in such capacity the "Liquidity Facility Provider") under the terms of the liquidity facility agreement to be entered into on or about the Closing Date between the Issuer, the Issuer Security Trustee and the Liquidity Facility Provider (the "Liquidity Facility Agreement").</p>
Principal Paying Agent / Calculation Agent:	<p>NIBC will act as the principal paying agent (in such capacity the "Principal Paying Agent") and the calculation agent (in such capacity the "Calculation Agent") in respect of the Notes under the terms of the paying agency agreement to be entered into on or about the Closing Date between, <i>inter alia</i>, the Paying Agents, the Calculation Agent, the Issuer and the Issuer Security Trustee (the "Paying Agency Agreement").</p>
Irish Paying Agent:	<p>Custom House Administration & Corporate Services Limited, whose registered office is at 25 Eden Quay, Dublin 1, Ireland, will act as Irish Paying Agent (the "Irish Paying Agent" and together with the Principal Paying Agent, the "Paying Agents") pursuant to the Agency Agreement.</p>
Listing Agent:	<p>Arthur Cox Listing Services Limited, a company having its registered office at Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland (the "Listing Agent").</p>
Joint Lead Manager:	<p>NIBC and Fortis Bank will each act as lead manager (the "Joint Lead Managers") in respect of the issue of the Notes, in accordance with the terms of a subscription agreement to be entered into on or about the Closing Date among, <i>inter alia</i>, the Joint Lead Managers, the Issuer and the Issuer Security Trustee (the "Subscription Agreement").</p>
Shareholder:	<p>Stichting Holding MESDAG CMBS, established under the laws of the Netherlands as a foundation (<i>stichting</i>), having its seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under</p>

number 34236561(the "**Shareholder**").

Director:

In respect of each of the Issuer and the Shareholder, ATC Management B.V. ("**ATC**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its corporate seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 33226415 will act as the managing director (*statutaire bestuurder*).

In respect of the Issuer Security Trustee, Amsterdamsch Trustee's Kantoor B.V. ("**ATK**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 33001955 will act as the managing director (*statutaire bestuurder*).

The director of the Issuer, the Shareholder and the Issuer Security Trustee hereinafter individually each a "**Director**" and collectively the "**Directors**".

The Directors will act as managing director and provide certain management services to the Issuer, Shareholder and the Issuer Security Trustee respectively pursuant to the terms of the relevant management agreements (collectively the "**Management Agreements**") to be entered into on or about the Closing Date.

The Directors belong to the same group of companies.

Rating Agencies:

Fitch Ratings Ltd. ("**Fitch**") and Standard & Poors Rating Services a division of McGraw-Hill Companies, Inc. ("**S&P**") (collectively the "**Rating Agencies**").

Common Safekeeper:

Euroclear Bank CSK, as common safekeeper for Euroclear Bank S.A./N.V. (the "**Common Safekeeper**").

Relevant Dates and Periods

Cut-Off Date:

1 April 2007 (the "**Cut-Off Date**") is the date on which most of the information relating to the Senior Loan and the Properties in this Offering Circular is presented.

Closing Date:

The date of initial issuance for the Notes will be on or about 25

	July 2007 (the " Closing Date "). All payments and collections that represent amounts that accrued on the Whole Loan before the Closing Date will belong to the Initial Lender.
Loan Closing Date:	28 December 2006, being the date on (or about) which the Facilities Agreement, the Borrower Security Documents and other Finance Documents have been executed.
Loan Interest Payment Date:	The Senior Loan provides that payment of quarterly instalments of interest are due and payable on the 25 th day of each Loan Interest Period, or, if such day is not a Business Day, the next succeeding Business Day in that calendar month (if there is one), or the preceding Business Day (if there is not), except for the Loan Interest Period commencing on October 2016 in respect of which the quarterly instalment of interest will be due and payable on the 28 th day of December or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 28 th day is the relevant Business Day (each such day a " Loan Interest Payment Date ").
Loan Interest Period:	Interest accrues on the Senior Loan from, and including, the Loan Interest Payment Date falling in April, July, October and January to, and including the Loan Interest Payment Date falling in the following July, October, January and April, except for interest accrual period which will commence on (and include) the Loan Interest Payment Date falling in October 2016 and end on (but exclude) on the Loan Maturity Date (each such period, a " Loan Interest Period ").
Loan Step-Up Date:	The Loan Interest Payment Date falling in January 2014 (the " Loan Step-Up Date ").
Notes Interest Payment Date:	Payments of interest on the Notes will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in the Conditions) on the 25 th day of April, July, October and January, of each year or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25 th day is the relevant Business Day, except for the interest payable in the Notes Interest Period commencing in October 2016, in respect of which the interest on the Notes will be due payable on the 28 th day of December 2016 or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day

	<p>immediately preceding such 28th day (each such day being a "Notes Interest Payment Date").</p>
Notes Interest Period:	<p>Interest on the Notes will accrue from (and including) the Closing Date by reference to successive interest periods (each a "Notes Interest Period") and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in the Conditions). Each Notes Interest Period will commence on (and include) a Notes Interest Payment Date and end on (but exclude) the next succeeding Notes Interest Payment Date, except for the first Notes Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Interest Payment Date in October 2007.</p> <p>A "Business Day" means a day on which banks are open for 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 System") or any successor thereto is operating credit or transfer instructions in respect of payments in euro.</p>
Interest Determination Date:	<p>The date on which the rates of interest payable from time to time in respect of each class of Notes will be determined by the Calculation Agent, which date will be (i) in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, after 11.00 a.m. (Central European Time) on the day that is two (2) Business Days preceding the first day of each Notes Interest Period for which the rate will apply and (ii) in respect of the Class X Notes, at or about 11:00 a.m. (Central European time) on the Notes Calculation Date immediately preceding the Notes Interest Payment Date (in each as an "Interest Determination Date")</p>
Notes Calculation Date:	<p>The date on which the Servicer will be required to determine the various amounts required to pay interest and principal due on the Notes on the forthcoming Notes Interest Payment Date and all other amounts then payable by the Issuer, and the amounts expected to be available to make such payments, will be the third (3) Business Day prior to such Notes Interest Payment Date (each a "Notes Calculation Date").</p>
Notes Final Maturity Date:	<p>Notes Interest Payment Date falling in January 2020 (the "Notes Final Maturity Date")</p>
Loan Maturity Date:	<p>Loan Interest Payment Date falling in December 2016 (the "Loan</p>

Maturity Date").

Key characteristics of the Senior Loan

Interest Rate:	The Senior Loan will bear interest calculated as the aggregate of three-months Euribor plus a margin per annum.
Redemption of the Senior Loan:	Unless the Borrowers have previously repaid the Senior Loan, all amounts outstanding under the Senior Loan need to be repaid in full on the Loan Maturity Date.
Illegality, Prepayment and Cancellation (other than Mandatory prepayment):	Under certain conditions, the Lender may require repayment or prepayment of the Senior Loan, in which case the Borrower must repay or prepay the relevant Senior Loan, or a Borrower may, subject to compliance with the terms of the Finance Documents, be entitled to repay or prepay the Senior Loan.
Mandatory Prepayment (Disposal):	If a Borrower disposes of any Property or an Obligor disposes of the shares in a Borrower, part of the amount of the disposal proceeds will be required to be applied in prepayment of a Senior Loan, unless such proceeds if it relates to a Property forming part of the Breevast Portfolio or the disposal of shares by the Accounts Agent of a Facility A Borrower, subject to the terms of the Facilities Agreement, within twelve (12) months following the disposal be used to acquire (i) any other immovable property (a " Substitute Property ") or (ii) shares in any other company incorporated and existing under Dutch law that owns immovable property (a " Substitute Property Company ") (see further section <i>Key Terms of the Facilities Agreement and the Senior Loan</i>).
Mandatory prepayment (Change of control):	<p>If any person or group of persons (whether or not, acting in concert) gains (direct or indirect) control of:</p> <p>(a) in respect of an Obligor (save for the Facility B Borrower and Hypermarkten Holland B.V.), Z.B.G. Holdings N.V.; and/or</p> <p>(b) in respect of the Facility B Borrower and Hypermarkten Holland B.V. and until the relevant Restructuring Date (as defined below), Z.B.G. Capital N.V. and/or Revoco B.V.,</p> <p>the Facility Agent (at its own discretion or upon the request of the Majority Lenders, as defined in the Facilities Agreement) may by not less than thirty (30) Business Days' prior notice require prepayment of the Senior Loan, in which case the Borrowers must repay or prepay the Senior Loan on the immediately succeeding Loan Interest Payment Date (see further section <i>Key Terms of the</i></p>

Facilities Agreement and the Senior Loan).

Mandatory Prepayment
(Others):

Prepayment of the Senior Loan must be made in certain other limited circumstances, subject to certain conditions, including the following:

- (a) any insurance proceeds in excess of €1,000,000 shall be applied to repay the Senior Loan on a Loan Interest Payment Date unless applied for reconstruction under the terms of the Facilities Agreement;
- (b) as from the Loan Step-Up Date, all monies standing to the credit of the General Account shall be applied to repay the Senior Loan on a Loan Interest Payment Date;
- (c) all monies received pursuant to an unwinding or termination of a Borrower Swap Agreement in case the LTV (as defined in the Facilities Agreement, see section *Description Key Terms of the Facilities Agreement and the Senior Loan*) exceeds 85 per cent., shall be applied to repay the Senior Loan on a Loan Interest Payment Date; and
- (d) upon the occurrence of a breach of certain financial covenants, all monies standing to the credit of the General Account shall be applied to repay the Senior Loan on a Loan Interest Payment Date until such breach is remedied.

Voluntary Repayment:

The Borrower may, subject to compliance with the terms of the Finance Documents, prepay the Senior Loan in whole or in part (subject to a minimum of €1,000,000) on a Loan Interest Payment Date provided that the Borrower gives not less than 15 days prior written notice to the Lender.

Prepayment Compensation
Amount:

Unless a prepayment is made under the provisions regarding *illegality, the right of prepayment and cancellation in relation to the Lender*, or for a Loan Event of Default (including a breach of a Default Level Covenant), any mandatory and voluntary prepayment made by the Borrower in respect of the Facility A pursuant to the Facilities Agreement shall be increased with the Prepayment Compensation Amount.

Application of prepayments:

Any prepayment made pursuant the Facilities Agreement shall be applied in accordance with the Borrower Priority of Payments (as defined herein).

Representation and Warranties, Covenants, Events of Default:	The representations and warranties which were given by the Obligors under the Facilities Agreement to the Finance Parties on the Loan Closing Date and the date of drawdown and which subject to certain exceptions, will be given by the Obligors on each Loan Interest Payment Date, include representations and warranties which are customary for a facility of this nature (see section <i>Key Terms of Facilities Agreement and the Senior Loan</i>).
Security for Senior Loan:	<p>The Senior Loan will be secured by security created by each of the Obligors in favour of the Security Agent for the Finance Parties. In this respect each Obligor has irrevocably and unconditionally undertaken to pay to the Security Agent an amount equal to the payment obligation of that Obligor to the Finance Parties on each relevant due date in accordance with the Finance Documents (each such undertaking hereinafter collectively referred to as the "Borrower Parallel Debt").</p> <p>The Obligors have entered into various security agreements in favour of the Security Agent (each as pledgee and mortgagee (as such agreement has been amended, supplemented and restated each a "Borrower Security Document" and collectively the "Borrower Security Documents"), including:</p> <ul style="list-style-type: none"> (i) a first ranking deed of mortgage in respect of the Properties, by the Borrowers and the Guarantor as mortgagor; (ii) a first ranking undisclosed deed of pledge over all receivables arising out of the Lease Documents by the relevant Borrowers as pledgor; (iii) a first ranking disclosed deed of pledge over all insurance claims by the relevant Obligor as pledgor; (iv) a first ranking disclosed deed of pledge over all bank accounts by the Accounts Agent and the relevant Borrowers as pledgor; (v) a first ranking disclosed deed of pledge over all inter company receivables between the Obligor (save for the Parent) as pledgor; (vi) a first ranking disclosed pledge over all shares in the capital of the Obligor (save for the Parent) that is a company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) by the relevant shareholders as

pledgors;

- (vii) a first ranking disclosed pledge over the partnership interest in each Borrower that is a limited partnership (*commanditaire vennootschap*) by the relevant partners as pledgors;
- (viii) a first ranking disclosed pledge over all receivables arising out of the property management agreement(s) by the relevant Borrower as pledgor; and
- (ix) a first ranking disclosed pledge over all rights and claims under the Borrower Swap Agreement by the relevant Borrowers as pledgor,

any such security interest created pursuant to a Borrower Security Document individually and collectively the "**Loan Security**" (see further section *Description of Security*).

In addition, the Senior Loan will be secured by security created by Telined Beheer B.V. pursuant to the Telined Mortgage.

Borrower Swap Agreement:

NIBC will act as the swap counterparty in respect of a notional amount equal to at least the principal amount outstanding from time to time under each Facility up to the Loan Maturity Date (in such capacity the "**Borrower Swap Counterparty**") under the terms of an ISDA Master Agreement and the schedule and confirmation relating thereto to be entered into on or about the Loan Closing Date between the Borrower Swap Counterparty, the relevant Borrowers and the Security Agent (collectively the "**Borrower Swap Agreement**").

Back-Up Borrower Swap Counterparty:

Fortis Bank N.V./S.A. (in such capacity the "**Back-Up Borrower Swap Counterparty**") will, pursuant to the terms of a contingent assignment and assumption deed agreed on or about the Closing Date by the Back-Up Borrower Swap Counterparty, the Borrower Swap Counterparty and each of the Borrowers (the "**Borrower Contingent Assignment and Assumption Deed**") assume the rights and obligations of the Borrower Swap Counterparty under the Borrower Swap Agreement upon the occurrence of certain specified events.

Governing Law:

The Finance Documents are governed by Dutch law, except for the Borrower Swap Agreement and the Borrower Contingent Assignment and Assumption Deed, each of which are governed by English law.

Key characteristics of the Portfolio

Portfolio:	<p>The Senior Loan is secured by a first-ranking mortgage right over (i) real estate (<i>onroerende zaak</i>), (ii) apartment rights (<i>appartementsrecht</i>), (iii) long lease (<i>recht van erfpacht</i>) and/or (iv) building rights (<i>opstallen</i>) (each such asset, a "Mortgaged Asset") relating to:</p> <ul style="list-style-type: none">(a) 73 properties to the property) located in the Netherlands which are owned by the Facility A Borrowers as listed in <u>Schedule 2</u> (Properties), Part A (the "Breevast Portfolio"); and(b) 4 properties located in the Netherlands which are owned by the Facility B Borrower and listed in <u>Schedule 2</u> (Properties), Part B (the "Veegtes Portfolio", and together with the Breevast Portfolio the "Portfolio" and each property (or, as the case may be, leasehold right (<i>recht van erfpacht</i>) and/or building right (<i>recht van opstal</i>) relating to the property) forming part of the Portfolio a "Property").
Initial Properties Value:	<p>As at 1 December 2006 the aggregate value of the Portfolio amounts to € 869,000,000 (the "Initial Portfolio Value") as determined by Colliers International Eindhoven. In respect of the initial value on which the Initial Portfolio Value is based (each such initial value for a Property the "Initial Property Value") reference is made to the amounts set opposite the relevant Property under the heading 'Market Value' in the section <i>Description of the Properties</i> below.</p>
Acquisition of the Senior Loan:	<p>On or prior to the Closing Date the Issuer will enter into the Loan Transfer Agreement pursuant to which the Initial Lender will transfer and assign all rights and obligations arising out of the Facilities Agreement in respect of the Senior Loan to the Issuer by means of a contract transfer (<i>contractsovernemng</i>).</p> <p>The Loan Transfer Agreement will contain representations and warranties given by the Initial Lender in relation to the Senior Loan and the Loan Security. If any of the 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 period specified in the Loan Transfer Agreement, the Initial Lender will, <i>inter alia</i>, be obliged to either (a) indemnify the Issuer and the Issuer Security Trustee against all losses, claims, demands, taxes and all other expenses or other liabilities incurred by the</p>

Issuer as a result of such misrepresentation, or (b) repurchase the Senior Loan. The decision as to which remedy is chosen shall be at the sole discretion of the Initial Lender.

If the Initial Lender chooses to repurchase the Senior Loan rather than to indemnify the Issuer, the price to be paid to the Issuer will be an amount equal to aggregate amount equal to the outstanding principal amount of the Senior 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 the obligations of the Issuer ranking in priority to amounts due to Noteholders under the Conditions less an amount equal to the aggregate of any amounts standing to the credit of the Issuer Accounts at that time which are used to discharge such obligations.

Transfer of Borrower Parallel Debt:

On or prior to the Closing Date Security Agent will enter into the Borrower Parallel Debt Transfer Agreement pursuant to which the initial Security Agent will transfer and assign all rights and obligations arising out of the Facilities Agreement, including the Borrower Parallel Debt to the newly appointed Security Agent.

Principal features of the Notes

Notes:

On the Closing Date, the issuer will issue € 398,150,000 Senior Class A commercial mortgage-backed floating rate notes 2007 due 2020 (the "**Senior Class A Notes**"), € 50,000 Class X commercial mortgage-backed floating rate notes 2007 due 2020 (the "**Class X Notes**"), € 47,100,000 Mezzanine Class B commercial mortgage-backed floating rate notes 2007 due 2020 (the "**Mezzanine Class B Notes**"), € 53,550,000 Mezzanine Class C commercial mortgage-backed floating rate notes 2007 due 2020 (the "**Mezzanine Class C Notes**"), € 64,300,000 Junior Class D commercial mortgage-backed floating rate notes 2007 due 2020 (the "**Junior Class D Notes**"), € 49,200,000 Junior Class E commercial mortgage-backed floating rate notes 2007 due 2020 (the "**Junior Class E Notes**") and € 26,050,000 Subordinated Class F commercial mortgage-backed floating rate notes 2007 due 2020 (the "**Subordinated Class F Notes**" and together with the Senior Class A Notes, the Class X Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, the "**Notes**").

Issue Price:

The issue price for each Class of Notes will be 100 per cent.

Form:	The Notes are in bearer form and in the case of the Notes in definitive form, serially numbered with coupons attached.
Denomination:	The Notes will be issued in denomination of € 50,000.
Status and Ranking:	<p>The Notes of each Class (as defined in the Conditions) rank <i>pro rata</i> and <i>pari passu</i> without any preference or priority among Notes of the same Class.</p> <p>Payments in respect of interest on the Senior Class A Notes and the Class X Notes will rank <i>pari passu</i> among themselves. In accordance with the Conditions and the Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, <i>inter alia</i>, payments of principal and interest on the Senior Class A Notes and the Class X Notes (in respect of interest only), (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, <i>inter alia</i>, payments of principal and interest on the Senior Class A Notes and the Class X Notes (in respect of interest only) and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Junior Class D Notes are subordinated to, <i>inter alia</i>, payments of principal and interest on the Senior Class A Notes, the Class X Notes (in respect of interest only), the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, <i>inter alia</i>, payments of principal and interest on the Senior Class A Notes, the Class X Notes (in respect of interest only), the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, <i>inter alia</i>, payments of principal and interest on the Senior Class A Notes, the Class X Notes (in respect of interest only), the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes.</p> <p>The Class X Noteholders will be paid principal, when due, from amounts standing to the credit of a separate account (the "Class X Principal Account"), which provides for additional security for only the Class X Notes and into which the Issuer will deposit EUR 50,000 on the Closing Date. No other Class of Notes will be entitled to payment from the EUR 50,000 deposited into the Class X Principal Account. As the Class X Noteholders will only be paid out of the amounts standing to the credit of the Class X Principal Account, which amount will solely be for the benefit of the Class X Noteholders, the Class X Notes do not rank against any other Class of Notes with respect to any principal amounts.</p>

Certain Noteholders are restricted in their ability to pass Extraordinary Resolutions. The Class X Noteholders have no power to request or direct the Issuer Security Trustee to take any action or to pass an Extraordinary Resolution (See Condition 14 (d)). Furthermore, the Class X Noteholders are not entitled to become the Controlling Class and as such appoint an Operating Adviser.

The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see further section *Credit Structure* below).

Interest Rate on the Notes
(other than the Class X Notes):

Except for (i) the Notes Interest Period commencing on the Notes Interest Payment Date falling in October 2016 whereby interest will accrue until (but exclude) on the Notes Interest Payment Date falling in December 2016 at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for two-months deposits in euros and the Euribor for three-months deposits in euros (determined in accordance with Condition 4(f) (Euribor)) and (ii) the Notes Interest Period commencing on the Notes Interest Payment Date falling in December 2016 whereby interest will accrue until (but exclude) the Notes Interest Payment Date falling in January 2017 at an annual rate equal to the linear interpolation between the Euribor for three-weeks deposits in euros and the Euribor for one-month deposits in euros (determined in accordance with Condition 4(f) (Euribor)) interest on the Notes (other than the Class X Notes) for each Notes Interest Period will accrue at an annual rate equal to Euribor for three-months deposits in euro, plus a margin (the "**Relevant Margin**").

For this purpose the Relevant Margin means with respect to each Class of Notes (other than the Class X Notes):

Senior Class A Notes:	0.24 per cent. per annum
Mezzanine Class B Notes:	0.28 per cent. per annum
Mezzanine Class C Notes:	0.55 per cent. per annum
Junior Class D Notes:	0.90 per cent. per annum
Junior Class E Notes:	1.10 per cent. per annum
Subordinated Class F Notes:	1.35 per cent. per annum

Interest on the Class X Notes:

The rate of interest applicable to the Class X Notes will be the Class X Interest Rate. The "**Class X Interest Rate**" for each Notes Interest Period is the percentage rate calculated as follows:

H *divided by* P, whereby

H = the Class X Interest Amount *divided by* the actual number of days in the relevant Notes Interest Period and *multiplied by* 360;

P = the Principal Amount Outstanding of the Class X Notes as of the first day of the applicable Notes Interest Period.

For the purpose of calculating the Class X Interest Rate in accordance with Condition 4 (d) (*Interest on the Class X Notes*):

The "**Class X Interest Amount**" with respect to a Notes Interest Payment Date is an amount (as calculated on the Notes Calculation Date immediately preceding that Notes Interest Payment Date) equal to:

The higher of:

(A) zero; or

(B) the sum of

- (a) items (a) up to and including (i) of the Notes Interest Available Amount except item (e), to the extent such amounts do not relate to amounts received as interest under the Finance Documents; *plus*
- (b) the interest rate applicable to the Senior Loan during the Loan Interest Period immediately preceding the relevant Notes Interest Payment Date, multiplied by the principal amount outstanding under the Senior Loan as of the first day of the same Loan Interest Period, which amount will be *multiplied by* (p) the actual number of days in the relevant Notes Interest Period and *divided by* (q) 360; *minus*
- (c) the aggregate amount of interest due and payable on the Notes in respect of the Notes Interest Period immediately preceding the relevant Notes Interest Payment Date (other than the Class X Notes) (for the avoidance of doubt, excluding any amount of interest accrued due but unpaid in respect of Notes Interest Periods preceding the Notes Interest Period immediately preceding the relevant Notes Interest

Payment Date); *minus*

- (d) the aggregate of all amounts other than in respect of interest payable by the Issuer in respect of the Notes (other than the Class X Notes) on the immediately succeeding Notes Interest Payment Date in accordance with items (a) up to and including item (l) of the Interest Priority of Payments.

Prepayment Compensation Amount:

Any Prepayment Compensation Amount paid under the Facilities Agreement shall, until an Enforcement Notice has been served, be applied towards payment to the holders of the Class X Notes only.

Mandatory Redemption in part:

Prior to an Enforcement Notice, the Issuer shall on each Notes Interest Payment Date, apply all principal amounts received by it during the previous Notes Interest Period in respect of a repayment or prepayment of a Senior Loan, towards redemption of the Notes pursuant to the Pro Rata Principal Priority of Payments or Sequential Principal Priority of Payments, as the case may be, in accordance with Condition 6 (*Redemption*).

Any repayments from the proceeds of a disposal of any Property (or any interest in, or the shares of a Borrower who owns a Property) will, prior to an Enforcement Notice be applied towards satisfaction to, on a *pro rata* and *pari passu* basis, the payment of principal due on each Class of Notes (other than the Class X Notes) pursuant to the Pro Rata Principal Priority of Payments (see further Terms and Conditions of the Notes below).

With respect to Sequential Priority of Payment, the Issuer will apply the relevant Notes Principal Available Amount in redeeming the Notes of the most senior class then outstanding (other than the Class X Notes) and, to the extent that the same are redeemed in full, the next most senior class then outstanding (other than the Class X Notes).

The Class X Notes will not be subject to redemption prior to their maturity, mandatory redemption or the enforcement in full of the Notes unless (a) the principal balance of the Senior Loan has been reduced to zero or (b) after payment in full of the Senior Class A, Mezzanine Class B, Mezzanine Class C Notes, Junior Class D, Junior Class E Notes and Subordinated Class F Notes.

Final Redemption:

Unless previously redeemed otherwise, the Issuer will redeem any remaining Notes outstanding on the Notes Interest Payment Date

	at their respective Principal Amount Outstanding on such date, subject to and in accordance with the Conditions.
Redemption following exercise of Clean-up Call Option:	The Issuer will have the option to redeem, subject to the Conditions, all (but not only part of) the Notes on any Notes Interest Payment Date, when the aggregate Principal Amount Outstanding of the Notes is less than 10 per cent. of the Principal Amount Outstanding of the Notes at the Closing Date.
Redemption for taxation and other reasons:	In the event (i) of certain tax changes affecting any class of the Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of any class of the Notes and (ii) if it becomes unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations as contemplated by the Facilities Agreement or to fund or maintain a Senior Loan, subject to the requirements of Condition 6 (<i>Redemption</i>), the Issuer may arrange the substitution of any other company incorporated in another jurisdiction approved by the Issuer Security 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, subject to and in accordance with Condition 6 (<i>Redemption</i>), redeem all of the Notes, in whole but not in part, at their Principal Amount Outstanding together with accrued but unpaid interest thereon up to and including the date of redemption, whilst in respect of (i) the Issuer shall not be under any obligation to pay additional amounts in respect of any withholding or deduction.
Method of Payment:	For so long as the Notes are represented by a Global Note, payments of principal and interest will be made by giro transfer in euro to a common safekeeper for Euroclear and Clearstream, Luxembourg for the credit of the respective accounts of the Noteholders (see further section <i>Global Notes</i>).
Subordination:	Other than with respect to any Pro Rata Principal Prepayment Amounts and subject to certain conditions: <ul style="list-style-type: none"> (a) while any Senior Class A Notes are outstanding, the holders of the Mezzanine Class B Notes (the "Class B Noteholders"), the holders of the Mezzanine Class C Notes (the "Class C Noteholders"), the holders of the Junior Class D Notes (the "Class D Noteholders"), the holders of the Junior Class E Notes (the "Class E Noteholders") and the holders of the Subordinated Class F Noteholders (the "Class F Noteholders") will not be

entitled to any repayment of principal in respect of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E or the Subordinated Class F Notes, respectively;

- (b) while any Mezzanine Class B Notes are outstanding, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, will not be entitled to any repayment of principal in respect of the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E and the Subordinated Class F Notes, respectively;
- (c) while any Mezzanine Class C Notes are outstanding, the Class D Noteholders and the Class E Noteholders, will not be entitled to any repayment of principal in respect of the Junior Class D Notes, the Junior Class E and the Subordinated Class F Notes, respectively;
- (d) while any Junior Class D Notes are outstanding, the Class E Noteholders, will not be entitled to any repayment of principal in respect of the Junior Class E Notes and Subordinated Class F Notes, respectively; and
- (e) while any Junior Class E Notes are outstanding, the Class F Noteholders, will not be entitled to any repayment of principal in respect of the Subordinated Class F Notes.

Principal of the Class X Notes is paid solely from amounts standing to the credit of the Issuer Class X Account, respectively, and therefore does not rank against any other class of Notes with respect to any amount distributable from the Issuer Transaction Account to such class.

Withholding tax:

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders (see further *Terms and Conditions of the Notes*).

Use of Proceeds:	<p>The net proceeds from the issue of the Notes (other than the Class X Notes) on the Closing Date will be applied by the Issuer as consideration for the Senior Loan in accordance with the provisions of the Loan Transfer Agreement.</p> <p>The net proceeds from the issue of the Class X Notes on the Closing Date will be deposited in the Class X Principal Account, which account will be available to pay principal only on the Class X Notes when such principal is due subject to and in accordance with the Conditions.</p>
Security for the Notes:	<p>The Noteholders will benefit from the security created by the Issuer in favour of the Issuer Security Trustee pursuant to Trust Deed entered into on or about the Closing Date between the Issuer, the Shareholder and the Issuer Security Trustee and the following pledge agreements (the "Issuer Pledge Agreements") and together with the Trust Deed, the "Issuer Security Documents"): </p> <ul style="list-style-type: none"> (a) a first ranking disclosed pledge granted by the Issuer (in its capacity as Senior Lender) to the Issuer Security Trustee over its rights under (i) the Facilities Agreement, which pledge includes a pledge over the claims against the Security Agent as its agent under and in connection with the Borrower Parallel Debt, (ii) the Loan Transfer Agreement and (iii) the Intercreditor Deed; (b) a first ranking disclosed pledge by the Issuer to the Issuer Security Trustee over the Issuer's rights under or in connection with the Servicing Agreement and the Liquidity Facility Agreement; and (c) a first ranking disclosed pledge in respect of the Issuer Accounts (as defined below). <p>Under the Trust Deed, the Issuer will undertake to pay to the Issuer Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Issuer Security Beneficiaries pursuant to the relevant Transaction Documents, provided that every payment in respect of such Transaction Documents for the account of or made to the Issuer Security Beneficiaries directly shall operate in satisfaction pro tanto of the corresponding covenant in favour of the Issuer Security Trustee (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the "Issuer Parallel Debt").</p>

The amounts payable by the Issuer Security Trustee to the Issuer Security Beneficiaries under the Trust Deed will be limited to the net amounts available for such purpose to the Issuer Security Trustee which, for the greater part, will consist of amounts recovered by the Issuer Security Trustee from the rights arising from or ancillary to a Senior Loan. Payments to the Issuer Security Beneficiaries will be made in accordance with the Issuer Post-Enforcement Priority of Payments (as defined in Credit Structure below). See for a more detailed description section *Description of Security* below.

The Principal Amount of the Class X Notes will effectively be cash collateralised by amounts credited to Class X Principal Account, since such amounts will only be used to satisfy principal repayment on the Class X Notes.

Listing:

Application has been made to the Financial Regulator in Ireland, as competent authority under the Prospectus Directive, for the Prospectus to be approved. Application has been made to the Irish Stock Exchange for the Notes (other than the Class X Notes) to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. Listing is expected to take place on or about 25 July 2007 (the "**Closing Date**"). There can be no assurance, however, that such admission will be granted.

Ratings:

The Notes are, upon issue, expected to be rated by the Rating Agencies as follows:

Class of Notes	Expected Rating
S&P/Fitch	
Senior Class A	AAA/AAA
Class X	AAA/AAA
Mezzanine Class B	AAA/AA
Mezzanine Class C	AA/A
Junior Class D	A/BBB
Junior Class E	BBB/BBB-
Subordinated Class F	BBB-/NR

Clearing:

Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") (collectively the "**Clearing Institutions**").

Governing Law:

The Notes will be governed by and construed in accordance with Dutch law.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in the position to express a view on the likelihood of any such contingency occurring.

Factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the primary risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective Noteholders are informed that the information contained herein should be read in conjunction with the detailed information set out elsewhere in this Offering Circular and should reach their own views prior to making any investment decision.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, including the Index of Terms, unless otherwise stated.

CONSIDERATIONS RELATING TO THE NOTES

Liabilities under the Notes and limited recourse

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, any Obligor, the Joint Lead Managers, the Borrower Account Bank, the Borrower Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Issuer Account Bank, the Liquidity Facility Provider, the Paying Agents, the Calculation Agent, the Listing Agent, the Security Agent, the Issuer Security Trustee, the Servicer, the Special Servicer or the Directors, except for certain limited obligations under the Trust Deed as more fully described under section *Description of Security*. Furthermore, none of the Obligors, the Joint Lead Managers, the Borrower Account Bank, the Borrower Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Issuer Account Bank, the Liquidity Facility Provider, the Paying Agents, the Calculation Agent, the Listing Agent, the Security Agent, the Issuer Security Trustee, the Servicer, the Special Servicer or the Directors, or any other person, acting in whatever capacity, other than the Issuer Security Trustee in respect of limited obligations under the Trust Deed, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due and payable under the Notes.

The obligations of the Issuer under the Notes are limited recourse obligations and the ability of the Issuer to meet its obligations to pay the principal and/or interest on the Notes will be dependent on the receipt by it of funds under a Senior Loan and interest in respect of the balances standing to the credit of the Issuer Accounts (other than the Class X Principal Account

which will secure the Class X Notes only), and the amounts to be drawn under the Liquidity Facility (see further section *Credit Structure* below).

The Issuer will indirectly be exposed to all risks to which an Obligor is subject to the extent that such risk could limit the Obligors ability to satisfy in full and on a timely basis its obligations under the Senior Loan.

Payment of principal and interest on the Notes will be secured indirectly by the security granted by the Issuer to the Issuer Security Trustee pursuant to the Issuer Security Documents. If the security granted pursuant to the Issuer Security Documents is enforced and the proceeds of such enforcement, after payment of all other claims ranking in priority to amounts due and payable under the Notes, are insufficient to pay in full all principal and interest and other amounts due in respect of the Notes, then, as the Issuer has no other assets, it may be unable to satisfy claims in respect of any such unpaid amounts. Enforcement of the security by the Issuer Security Trustee pursuant to the terms of the Trust Deed, the Issuer Pledge Agreements and the Notes is the only remedy available to Noteholders for the purpose of recovering amounts owed in respect of the Notes.

Credit Risk and Liquidity Risk

There is a risk of non-payment of principal and interest on the Notes due to non-payment of principal and interest under the Senior Loan (taking any recovery proceeds into account).

There is a risk that interest due and payable under the Senior Loan is not received on time thus causing temporary liquidity problems to the Issuer. In certain circumstances the Issuer will be entitled to make drawings under the Liquidity Facility provided by the Liquidity Facility Provider.

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. 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. In addition, the Liquidity Facility will be subject to an initial maximum aggregate principal amount equal to 7 per cent. of the Principal Amount Outstanding of the Notes. The amount available to be drawn under the facility, at any time, may be reduced in certain circumstances, such that insufficient funds may be available to the Issuer to pay in full interest due on the Notes. This risk will be borne by *firstly*, the Class E Noteholders, *secondly* the Class D Noteholders, *thirdly* the Class C Noteholders, *fourthly* the Class B Noteholder and ultimately, on a *pro rata* basis, the holders of the Class A Notes and the Class X Notes.

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 Drawing and place the proceeds of that drawing on deposit in the Issuer Transaction Account (see further section *Credit Structure* below).

Prepayment Risk

There is a risk that the level of prepayments by a Borrower can vary and therefore result in a reduction of interest receipts of the Senior Loan and, more particularly, an average life of the Notes which is shorter than anticipated. The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that any estimates and assumptions will prove in any way to be realistic.

Maturity Risk

There is a risk that the Issuer will not have received sufficient principal under the Senior Loan to fully redeem the Notes at their respective maturity. The final maturity date for the Notes is the Notes Interest Payment Date falling in January 2020. The Issuer will be entitled to redeem all the Notes in the circumstances set out in Condition 6 (*Redemption*).

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 or the Senior Loan, except for the information provided in the quarterly investor report concerning the Notes which will be made available to, amongst others, the Issuer, the Issuer Security Trustee, the Special Servicer, the Rating Agencies, the Noteholders, the Paying Agents and the Calculation Agent, on or about each Notes Interest Payment Date (see section *Servicing*) or required by applicable law.

Ratings of the Notes

The ratings assigned to the Notes by the Rating Agencies are based on the Whole Loan subject to any intercreditor agreements, the Loan Security, the Issuer Security and the Properties and other relevant structural features of the transaction, including but not limited to the short term and long term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider and the Back-Up Borrower Swap Counterparty. A rating does not represent any assessment of the yield to maturity that a Noteholder may experience or the possibility that holders of the Notes may not recover their initial investments if unscheduled receipts of principal result from a prepayment, a default and acceleration or from the receipt of funds with respect to a compulsory purchase. The ratings assigned by S&P and Fitch address the timely payment of interest on each Notes Interest Payment Date and the ultimate repayment of principal on the Notes Maturity Date. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any or both 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 downgrade, withdrawal or qualification of any of the ratings of the parties mentioned above may have an impact on the ratings of the Notes.

Credit rating agencies other than the Rating Agencies could seek to rate the Notes and without having been requested to do so by the Issuer if such "unsolicited ratings" are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Offering Circular are to ratings assigned by the specified Rating Agencies only. Future events also, including but not limited to circumstances relating to the Property and/or the property market generally, could

have an adverse impact on the rating of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. Furthermore, there can be no assurance that the Rating Agencies will take the same view as each other, which may affect a Borrower's ability to adapt the structure of the transaction to changes in the market.

Rating Agencies' Confirmation

Where it is necessary for the Issuer Security Trustee to determine, for the purposes of exercising any right, power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Transaction Documents, whether or not such exercise will be materially prejudicial to the interests of the Noteholders or any class of Noteholders, the Issuer Security Trustee shall be entitled, in making such a determination, to take into account among any other things it may, any confirmation by a Rating Agency (if available) that the then current ratings of the Notes will not be downgraded, withdrawn or qualified. For the avoidance of doubt, such rating confirmation shall not be construed to mean that any such exercise by the Issuer Security Trustee of any right, power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Transaction Documents is not materially prejudicial to the interest of holders of the Notes or, as the case may be, the Notes of the relevant class; and the non-receipt of such rating confirmation shall not be construed to mean that any such exercise by the Issuer Security Trustee as aforesaid is materially prejudicial to the interests of the holders of the Notes or, as the case may be, the Notes of the relevant class.

No assurance can be given that the Rating Agencies will provide any such confirmation or that, depending on the timing of the delivery of the request and any information needed to be provided, it may be the case that the Rating Agencies cannot provide their confirmation in the time available and in either case, the Rating Agencies will not be responsible for the consequences thereof. However, if a confirmation is provided, it should be noted that a Rating Agency's decision to reconfirm a particular rating may be made on the basis of a variety of factors. In particular, the Noteholders should be aware that the Rating Agencies owe no duties whatsoever to any parties to the transaction (including the Noteholders) in providing any confirmation of ratings. In addition, it should be noted that any confirmation of ratings (i) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Notes, (ii) does not address whether any relevant event, matter or circumstance is permitted by the relevant documents and (iii) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Noteholders or other secured creditors.

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 the holders of securities (such as the Notes).

Effects of Obligors Default

The rate and timing of delinquencies or defaults on the Senior Loan will affect: (i) the aggregate amount of distributions on the Notes; (ii) their yield to maturity; (iii) the rate of principal payments; and (iv) their weighted average life.

Absence of secondary market; limited liquidity of the Notes

Application has been made to the Irish Stock Exchange for the Notes (other than the Class X Notes) to be admitted to the Official List of the Irish Stock Exchange. There is not, at present, a secondary market for the Notes. There can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. In addition, the market value of certain of the Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Subordination

On each Notes Interest Payment Date distributions in respect of interest and principal will be made to Noteholders in the manner and in the priorities set forth in the section *Credit Structure* below. As a result of such priorities, any losses on the Senior Loan will be borne, *first*, by the Subordinated Class F Notes, *second*, by the Junior E Notes, *third*, by the Junior D Notes, *fourth* by the Mezzanine Class C Notes, *fifth*, by the Mezzanine Class B Notes and *sixth, pari passu* by the Class A Notes and the Class X Notes (with regard to interest only). As a result of subordination and other risks of the Properties, under certain circumstances investors in one or more Classes of Notes may not recover their initial investment.

The Liquidity Facility Provider will be entitled to receive interest on unreimbursed advances and the Servicer and the Special Servicer, as applicable, will be entitled to receive interest on unreimbursed servicing expenses. Such interest will accrue from (and include) the date on which a drawing under the Liquidity Facility is made or the expense incurred to (but excluding) the date on which such amounts are repaid. The right of the Liquidity Facility Provider to receive repayments of any Liquidity Facility Drawing including interest thereon, are senior to the rights of Noteholders to receive amounts in respect of the Notes and, consequently, will cause a reduction in funds available to pay amounts due under the Notes which may result in losses being allocated to the Notes which would not otherwise have resulted absent the relevant Liquidity Facility Drawing.

In addition, the rights of the Noteholders to receive amounts in respect of the Notes are subordinate in priority to the payment of certain items set forth in the Issuer Pre-Enforcement Priority of Payments and the Issuer Post-Enforcement Priority of Payments such as any tax payments, audit fees and certain payments (including costs and expenses) to be made under the Liquidity Facility Agreement and the Paying Agency Agreement (see section *Credit Structure - Priority of Payments* below), which may result in losses being allocated to the Notes which would not otherwise have resulted absent such fees, expenses or other senior amounts.

Limited Rights of Class X Notes

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

Rights Available to Holders of Notes of Different Classes

The Issuer Security Trustee will be required, in performing its duties under the Trust Deed and the Issuer Security Documents, to have regard to the interests of all the Noteholders together. However, if (in the sole opinion of the Issuer Security Trustee) there is any 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 Issuer Security 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 Notes) then outstanding. For these purposes, the interests of individual Noteholders will be disregarded and the Issuer Security Trustee will determine interests viewing the holders of any particular Class of Notes as a whole.

Yield and prepayment considerations

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of receipt by the Issuer of amounts of principal in respect of the Senior Loan (and payment thereof to Noteholders) and the purchase price paid by the Noteholders in respect of such Notes. Such yield may be adversely affected by one or more prepayments in respect of the Senior Loan (and payment thereof to Noteholders).

The terms of the Facilities Agreement require each Borrower to, subject to certain conditions and exceptions, mandatory prepay each Facility in whole or in part upon the occurrence of certain events, including if the Parent, contrary to its respective undertaking in the Facilities Agreement, disposes of any share in the capital of a Borrower and/or a Borrower disposes of any Property (see further section *Description Key Terms* of the *Facilities Agreement and the Senior Loan*). The Issuer will be required to use the proceeds of such mandatory prepayment to redeem an amount of the Notes which corresponds to the amount of the relevant Facility prepaid.

The yield to maturity on the Class X Notes will be highly sensitive to the rate and timing of principal payments and collections (including by reason of a voluntary or involuntary prepayment, or a default and liquidation) on the Senior Loan. Investors in the Class X Notes 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.

In addition, a Borrower will under certain circumstances and subject to the provisions of the Facilities Agreement have the option to prepay all or any part of each Facility. If a Borrower prepays the Senior Loan in whole or in part, the Issuer will redeem the Notes in a principal amount which corresponds to the amount of the relevant Senior Loan prepaid.

Risk relating to the appointment of Substitute Servicer or Substitute Special Servicer

The termination of the appointment of the Servicer or the Special Servicer under the Servicing Agreement will only be effective once a substitute servicer or substitute special servicer, as the case may be, has effectively been appointed (see section *Servicing* below). There is no guarantee that a suitable substitute servicer or substitute special servicer, as applicable, could be found who would be willing to service the Whole Loan and the related security at a commercially reasonable fee, or at all, on the terms of the Servicing Agreement (even though such agreement provides for the fees payable to a substitute servicer or substitute special servicer to be consistent with those payable generally at that time for the provision of the commercial mortgage administration services). In any event, the ability of such substitute servicer or substitute special servicer to perform such services fully would depend on the information and records then available to it. The fees and expenses of a substitute servicer or special servicer performing services in this way would be payable in priority to payment of interest under the Notes.

Workout Fees and Liquidation Fees

In the event a Specially Serviced Loan becomes a Corrected Loan and certain other conditions are met (see as described under section *Servicing*), the Special Servicer will be entitled to a Workout Fee equal to 0.35 per cent. (to be increased by VAT, if applicable) for so long as the Whole Loan remains a Corrected Loan. In addition, upon the sale of any Property following enforcement of the Specially Serviced Loan, the Special Servicer will be entitled to receive a Liquidation Fee equal to 0.75 per cent. (to be increased by VAT, if applicable). Because Workout Fees and Liquidation Fees are not recoverable from the Borrowers under the Facilities 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 related Loan.

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 Measurement 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 the 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.

Withholding or deduction under the Notes

In the event that a withholding or deduction for or on account of any taxes is imposed by law, or otherwise applicable, in respect of amounts payable under any Class of 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 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) entitle (but not in any way oblige) the Issuer (whilst not under any obligation to pay additional amounts in respect of any withholding or deduction) to redeem all of the Notes at their then Principal Amount Outstanding (plus accrued interest) thereby shortening the average lives of the Notes.

European Union Directive on Taxation of Savings Income

Under the EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agents nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to this Directive.

CONSIDERATIONS RELATING TO THE LOAN AND THE PROPERTIES

Commercial Lending Generally

The Senior Loan will be secured by, among other things, mortgage rights over office properties, retail properties, mixed-use properties and industrial properties. Commercial mortgage lending is generally viewed as exposing lenders to greater risks of loss than residential mortgage lending since the repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related property. If the cash flow from the property is reduced (for example, if leases are not obtained or renewed or if tenants default in their lease obligations), the borrower's ability to repay a loan may be impaired. The volatility of property values and net operating income depends upon a number of factors, including (i) property revenue and (ii) the relevant property's "operating leverage", which generally refers to (a) the percentage of total property operating expenses in relation to property revenue, (b) the breakdown of property operating expenses between those that are fixed and those that vary with revenue and (c) the level of capital expenditures required to maintain the property and retain or replace tenants. Even if current net operating income is sufficient to cover debt service at any given time, there can be no assurance that such will continue to be the case in the future.

The net operating income and value of the Properties may be adversely affected by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by business closures or slowdowns and other factors); local property

market conditions (such as an oversupply of office or retail space, including market demand); perceptions by prospective tenants and retailers and shoppers of the safety, convenience, condition, services and attractiveness of the Properties, the proximity and availability of competing alternatives to the Properties, the willingness and ability of the owners of the Properties to provide capable management and adequate maintenance; demographic factors; consumer confidence; unemployment rates; customer tastes and preferences; retroactive changes to building or similar regulations; and increases in operating expenses (such as energy costs). In addition, other factors may adversely affect the Properties' value without affecting their current net operating income, including changes in governmental regulations, monetary and fiscal policy and planning or tax laws, potential environmental legislation or liabilities or other legal liabilities, the availability of refinancing, and changes in interest rate levels.

The age, construction quality and design of a particular property may affect its occupancy level as well as the rents that may be charged for individual leases over time. The effects of poor construction quality will increase over time in the form of increased maintenance and capital improvements needed to maintain the property and to replace or retain tenants. Even good construction will deteriorate over time if property managers do not schedule and perform adequate maintenance in a timely fashion. If, during the term of the Senior 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 net operating income of such Properties could be reduced.

Additionally, some of the Properties may not readily be convertible to alternative uses if such Properties were to become unprofitable due to competition, age of the improvements, decreased demand, regulatory changes or other factors. The conversion of commercial properties to alternate uses generally requires substantial capital expenditures. In addition, in connection with obtaining the necessary planning consents for such alternative uses, additional environmental surveys may be required. If any such environmental survey indicates that there are environmental issues with respect to such property, whether because of the conversion in usage or otherwise, it is possible that the related Borrower will be required to remediate such environmental issues. Thus, if the operation of any such Property becomes unprofitable such that a Borrower or other Obligor becomes unable to meet its respective obligations on the related Loan, the liquidation value of any such Property may be substantially less, relative to the amount owing on the related Loan, than would be the case if such Property were readily adaptable to other uses.

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

Any one or more of the above described factors could have an adverse effect on the income derived from, or able to be generated by, a particular Property, which could in turn cause an Obligor in respect of such Property to default on the Senior Loan or may impact such Borrower's ability to refinance the Senior Loan or sell the related Property to repay the Senior Loan.

Risk relating to concentration of properties

A concentration of properties in geographic areas may increase the risk that adverse economic or other developments affecting a particular region could increase the frequency of defaults and losses on lease agreements or could cause the value of properties to decline. The various Properties are spread throughout the Netherlands. See further the section *Description of the Properties*.

Risk relating to concentration of tenants

A deterioration in the financial condition of a tenant can be particularly significant if a Property is leased to a single tenant or a small number of tenants. Properties leased to a single tenant, or a small number of tenants, are also more susceptible to interruptions in cash flow if a tenant fails to renew its occupational lease as the financial effect of the absence of rental income may be severe, more time may be required to re-lease the space and substantial capital costs may need to be incurred to make the space appropriate for replacement tenants. Reference is made to the section *Tenants*, in which in more detail the concentration of tenants is described.

Dependence on tenants to meet the obligations under the Loans

Payments in respect of the Notes are dependent on, and limited to, the receipt of funds under the Senior Loan and, where necessary and applicable the Liquidity Facility Agreement. In turn, recourse on the Senior Loan is generally limited to the Borrowers and any other obligors and/or their assets, which assets, in each case, are the Properties and other assets, security over which has been created to secure the Senior Loan. Consequently, the ability of the Borrowers to make payments on the Senior Loan prior to their respective Loan Maturity Dates and, therefore, the ability of the Issuer to make payments on the Notes prior to the Notes Maturity Date, is dependent primarily on the sufficiency of the net operating income of the Properties. The Borrowers' ability to make payments in respect of the Senior Loan could therefore 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 occupational leases.

In relation to existing leases and any permitted new occupational leases granted by a Borrower after the Closing Date (if any) which expire or will permit the related tenant to terminate its occupational lease during the term of the Facilities Agreement, there can be no assurance that tenants will renew their respective occupational leases or that new tenants will be found to take up replacement occupational leases. Furthermore, even if such renewals are effected or replacement occupational leases are granted, there can be no assurance that such renewals or replacement occupational leases will be on terms (including rental levels) as those which exist now or before such termination, nor that the covenant strength of tenants who renew their occupational leases or new tenants who replace them will be the same as or equivalent to, those now existing or existing before such termination. The income of the Borrowers and the market value of the Properties could be adversely affected if tenants were unable to pay rent or if space was unable to be let out on favourable terms or at all. This may affect the Borrowers and any other obligor's ability to meet its payment obligations under the Senior Loan and ultimately the Issuer's ability to meet its payment obligations under the Notes and may also affect the foreclosure proceeds of the Properties.

In addition, any tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a failure to make rental payments when due. If a tenant were to default in its obligations, the relevant Borrower might experience delays in collecting its rights and may incur costs and experience delays associated with protecting its investment, including costs incurred in renovating and re-letting the relevant Properties. This may also affect the Borrowers ability to meet the payment obligations under the Senior Loan.

Rental levels, the quality of the buildings, the amenities and facilities offered, the convenience and location of the Properties, the amount of space available, the transport infrastructure, the parking policy of the (local) government and the age of the building in comparison to the alternatives are all factors which influence tenant demand. Changes to the infrastructure, demographics, planning regulations and economic circumstances relating to the surrounding areas on which the Properties depend for its consumer base may adversely affect the demand for (space in) the Properties.

The terms of the tenancies might affect the realisable value of the Properties on enforcement. The Facilities Agreement contains restrictions on the Borrowers' ability to grant or surrender tenancies, subject to various exceptions relating to, *inter alia*, the terms of the relevant leases and the rent generated by those leases.

Late payment or non-payment of rent

There is a risk that rental payments due and payable under the occupational leases on or before a Loan Interest Payment Date will not be paid on the due date or not paid at all. If any payment of rent is not received on or prior to a Loan Interest Payment Date and any resulting shortfall is not otherwise compensated for from other resources, there may be insufficient cash available to an Obligor to make payments to the Issuer (as Senior Lender) under the Facilities Agreement in full or at all. Such a default by the Obligors may not itself result in a Note Event of Default (as defined in the Conditions) since the Issuer may have access to other resources as mentioned above (specifically, funds made available under the Liquidity Facility to make certain payments under the Notes). However, no assurance can be given that such resources will, in all cases and in all circumstances, be sufficient to cover any such shortfall and that a Note Event of Default will not occur as a result of the late payment of rent.

Not all tenants have been obliged under the terms of the Occupational Leases to provide a bank guarantee or other form of guarantee in favour of the lessor to mitigate that rental payments due and payable under the occupational tenant remain unpaid (see further *Occupational Leases* below).

There is also a risk that a tenant may be entitled to withhold or set-off payments, or to suspend performance of its payment obligations, if the relevant Borrower (or any other member of such Borrower) does not comply with its obligations under an occupational lease (see further *Occupational Leases* below).

Refinance Risk

Pursuant to the Facilities Agreement, the Obligors are required to repay each Facility on the Facility Maturity Date. The Facilities Agreement does not provide for scheduled amortisation of

any loan prior to the Loan Maturity Date and, therefore the ability of the Borrowers to repay each Facility in its entirety on or before the relevant maturity date will depend upon the Borrower's ability either to refinance the relevant Facility or the ability to sell the Properties by that date. The Borrowers' ability to achieve this will be affected by a number of factors, including the willingness and ability of lenders, which typically include banks, insurance companies and finance companies, to make available loans secured on the Property and, in certain cases, the Borrower's ability to enter into suitable swap arrangements in connection with such refinancing, the aggregate value of the Properties compared to the principal amount outstanding of each Facility, the financial condition of the tenants, the operating history of the Properties, the general economic or local conditions and other factors. None of the Joint Lead Managers, the Issuer or any other person is or will be under any obligation to refinance a Facility Loan and there is no assurance that the aggregate value of the Properties on a Loan Maturity Date will be equal to or exceeds the amounts then due and payable under the relevant Loan.

If the Obligors fail to repay each Facility in full on the Loan Maturity Date, this will be a Loan Event of Default under the Facilities Agreement. 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 or certain classes of the Notes.

Risk relating to the Obligors

So-called *special purpose vehicles* covenants are generally designed to limit the purpose of the borrowing entity to owning the related Property, making payments on the related loan and taking such other actions as may be necessary to carry out the foregoing in order to reduce the risk that circumstances unrelated to the loan and related property result in a borrower insolvency. Not each Obligor has been newly incorporated or formed for the sole purposes of acquiring (or refinancing the acquisition of) and holding the legal and beneficial interests in one or more of the Properties. The Obligors are therefore not prohibited from conducting business other as an operating company (thus not limiting exposure to outside creditors). The Obligors (save for the Parent) have, however, contractually pursuant to the terms and conditions of the Facilities Agreement, been converted into a limited purpose vehicle to the extent that such Obligors are restricted by various *special purpose vehicles* covenants, including (but limited to) the covenant that it either has nor shall (save for any intercompany loans subordinated pursuant to the Subordination Agreement), incur any material financial indebtedness (other than permitted pursuant to the Facilities Agreement) and shall not incur or allow to remain outstanding any guarantee in respect of any obligation of any person other than under the Finance Documents.

Limited partnerships

Some Borrowers have been established as a limited partnership (*commanditaire vennootschap*) under Dutch Law (the "**Limited Partnership Borrowers**"). Pursuant to Dutch law, the corporate purpose of a limited partnership is the operation of a commercial business (*voeren van een bedrijf*) through durable cooperation between one or more general partners (*beherend vennoten*), each with unlimited liability, and one or more limited partners (*commanditaire or stille vennoten*).

A Dutch limited partnership is entered into by the partners *intuitu personae*, i.e. focused on the quality of the partners as such. Therefore, termination of the limited partnership agreement by one or more partners will in principle result in the dissolution and liquidation of the limited partnership. The same applies in case of bankruptcy or death of a partner. Also the accession of a new partner to the limited partnership will, in principle, result in dissolution of the limited partnership and the entering into of a new limited partnership. Most limited partnership agreements, however, contain provisions stipulating that the limited partnership will continue to exist after termination, death or bankruptcy by one or more partners (*voortzettingsbedingen*) and provide for the possibility of accession by additional partners (*toetredingsbedingen*). Furthermore the limited partnership agreement can provide that a terminating partner shall be authorised to transfer its interest to a third party, subject to such approvals, consents and other requirements as the limited partnership agreement may set forth.

For the limited partnership to continue after a termination by or a removal of a partner, provisions regarding such continuation must be included in the limited partnership agreement. These provisions, however, do not in themselves effect the community of property (i.e. Properties). This means that the sole inclusion of a provision regarding the continuation of the limited partnership between the remaining partners or between the remaining partners and the new partner, does not automatically result in the new partner(s) or the remaining partners, acquiring an interest in the limited partnerships's assets. Such a result must be specifically agreed upon in a property clause (*vermogensbeding*), either by way of a specific provision in the limited partnership agreement or by separate agreement.

Based on the above, limited partnership will, unless agreed otherwise, be dissolved upon the cancellation by one of the partners, or the death or bankruptcy of one of the partners. There can be no assurance that, in case of insolvency of a general partner or limited partner of the Limited Partnership Borrower, there will be at least another solvent general partner or limited partner remaining in the related limited partnership or that the related partners will pass a resolution to appoint a new general partner and/or apply any of the other alternatives provided by Dutch law. Such failure to maintain or appoint one or more general partners or limited partners may cause the liquidation of the related Borrower and may result in a Loan Event of Default under the Facilities Agreement. In addition, such event may require the transfer of the related Property(ies) to the remaining solvent general partner(s) or limited partner(s), which transfer may be subject to real estate transfer taxes in the Netherlands. In the event of such a default, the Issuer or 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.

Notwithstanding the above, the insolvency of a general partner or limited partner would not affect the priority of the Loan Security created in respect of the relevant Properties.

Risk relating to properties management

The net cash flow realised from and/or the residual value of the Properties may be affected by management decisions. The Property Manager has wide discretions: in particular, the Property Manager may be (subject to certain general restrictions) responsible for finding and selecting new tenants on the expiry of existing tenancies (and their replacements) and for negotiating the

terms of the tenancies with such tenants as well as to matters including the design and configuration of the Properties and developments within and outside the Properties. While such persons are experienced in managing office, industrial, leisure and/or retail property, there can be no assurance that decisions taken by them or by any future Property Manager will not adversely affect the values and/or cash-flows of the Properties.

No representation or warranty can be made as to the skills or experience of any present or future managers. In respect of the Senior Loan, as at the Loan Closing Date, the Property Manager is an affiliated with the related sponsors. Additionally, there can be no assurance that the Property Manager will be able to fulfil its management responsibilities throughout the terms of its respective management agreement.

Limitations of Valuations

The valuation report (the "**Valuation Report**") which is reproduced in the section headed *Valuation Report* below is addressed to, *inter alia*, the Obligors, the Issuer, the Issuer Security Trustee and the Arranger and may only be relied upon by each of them as more fully set out therein. In general, valuations represent the analysis and opinion of qualified valuers and are not guarantees of present or future value. The valuations may be based on certain assumptions made by the valuer. One valuer may reach a different conclusion than the conclusion that would be reached if a different valuer were appraising such property. Moreover, valuation reports seek to establish the amount a typically motivated buyer would pay a typically motivated seller and, in certain cases, as of the date of such valuation, may have taken into consideration the purchase price paid by the related borrower. However, there can be no assurance that the market value of the Properties will continue to equal or exceed such valuation.

There can be no assurance that the market value of the Properties will continue to be equal to or exceed the Valuation. As the market value of the Properties fluctuates, there is no assurance that the market value of the Properties will be equal to or greater than the unpaid principal and accrued interest and any other amounts due and payable under any Loan and therefore amounts due and payable under the Notes. If the Properties are 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 and payable under each Facility and therefore such amounts due and payable under the Notes.

Other indebtedness

The existence of indebtedness incurred by a Borrower other than the Loans could adversely affect the financial viability of such Borrower. Additional debt increases the likelihood that a Borrower would lack the resources to perform on both its mortgage loan and such additional debt. In addition, the existence of any actual or contingent liabilities of a Borrower may result in the insolvency or (if applicable) administration of that Borrower which may lead to an unanticipated default under the Facilities Agreement. The Finance Documents provides limitations on the right of the Obligors (other than to Parent) to incur additional debt, on either a secured or unsecured basis, without the consent of the Facility Agent. However, the Finance Documents permit these entities to incur various types of indebtedness including borrowings from related companies and third parties on a subordinated basis and in the ordinary course of business provided that certain conditions specified in the Finance Documents.

The Senior Loan comprises the senior tranche of a whole loan to the Borrowers (the "**Whole Loan**"). The related Subordinated Loan of the Whole Loan will not be held by the Issuer, but instead will be held by one or more other lenders (each such lender a Subordinated Lender). On or prior to the Closing Date, the Intercreditor Deed will be entered into in relation to the Loan between the Issuer (in its capacity as Senior Lender), the Subordinated Lender, the Facility Agent and the Security Agent. The Intercreditor Deed will regulate the claims between the Issuer (as Senior Lender) and the Subordinated Lenders as to payments, subordination and priority in relation to the Whole Loan. So long as no Material Event of Default is continuing, interest will be paid on the Senior Debt prior to interest being paid on the Subordinated Loan. With respect to any repayments and prepayments in respect of the Senior Loan, prior to the occurrence of a Material Event of Default, pursuant to the Intercreditor Deed such amounts will be paid after the payment of interest to the Subordinated Lenders and will be paid pro rata to any repayments and prepayments in respect of the Subordinated Loan

Under the Intercreditor Deed, each Subordinated Lender has certain approval and other rights with respect to the Loans and Properties. In addition, pursuant to the terms of the Intercreditor Deed, a Subordinated Lender will have the right to cure a non-payment by an Obligor under the relevant Whole Loan within certain specified periods of notification of the non-payment. While such cure rights are being exercised, the relevant Whole Loan will not be deemed to be a Specially Serviced Loan or accelerated, nor will the enforcement of the related Loan security be commenced. Accordingly, a delay in enforcement with regard to the any Senior Loan due to the cure rights of a Subordinated Lender could result in a decline in value of the relevant Property and, possibly, a loss with regard to the Notes.

Hedging Risks

Each Facility bears interest at a floating rate. The income of the Borrowers (comprising, primarily, rental income in respect of the Properties) does not vary according to prevailing interest rates. Therefore, in order to protect the Borrower (and thus 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 relevant Borrowers have entered into and, under the terms of the Facilities Agreement, will be required to maintain, certain hedging arrangements to hedge against this risk (see further section *Key Terms of the Facilities Agreement and the Senior Loan* below).

If the Borrowers were to default in its obligations to maintain such hedging arrangements, or if the Borrower Swap Counterparty and Back-Up Borrower Swap Counterparty were to default in its obligations to the Obligors, then the Borrowers may have insufficient funds to make payments of interest due at that time in respect of each Facility. 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.

If the Borrower Swap Agreement is terminated, the Borrowers may be obliged to make a termination payment to the Borrower Swap Counterparty. The amount of any termination payment will be based on the market value of the terminated Borrower Swap Agreement based on market quotations of the cost of entering into a transaction 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).

The funds which the Borrowers have available to make payments on a Facility may be reduced if the Borrowers are obliged to make a termination payment to the Borrower Swap Counterparty. However, any termination payment due to the Borrower Swap Counterparty which arises due to (a) a default by the Borrower Swap Counterparty or Back-Up Borrower Swap Counterparty, as the case may be, or (b) the failure of the Borrower Swap Counterparty to comply with the requirements under the Borrower Swap Agreement if (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Back-Up Borrower Swap Counterparty are assigned a credit rating below F1 by Fitch or A-1 by S&P, or (ii) long term unsecured, unsubordinated and unguaranteed debt obligations of the Back-Up Borrower Swap Counterparty are assigned a credit rating below A by Fitch, shall not rank in priority to payments due to any Noteholder (but, in relation to (b) only, to the extent that any premium is received by a Borrower from a replacement swap counterparty, or replacement swap guarantor or replacement back-up swap counterparty ("**Replacement Swap Counterparty**") in relation to a transaction entered into to replace the Borrower Swap Agreement, the Borrower Swap Counterparty or Back-Up Borrower Swap Counterparty shall rank in priority to payments due to any Noteholder).

No Borrower can give any assurance that a Replacement Swap Counterparty having the requisite rating will be found to enter into a replacement Swap Agreement, or if one is entered into, that the credit rating of the 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 not be hedged.

The hedging transactions under the Borrower Swap Agreement will mature after the Loan Maturity Date. This means that, if a Loan has not been fully repaid on or before the maturity of the hedging transactions, the Borrowers (and thus the Issuer) will be exposed to the prevailing interest rates at that time.

Incentives to attract new occupational tenants

It is not uncommon in the Dutch commercial property market to offer rent-free periods or to provide other incentives in order to attract new tenants. The Borrowers are entitled to offer similar incentives during the life of the Notes. There is a risk that if any of the Borrowers offers any such incentives to proposed new tenants, it affects its ability to make payments under the Senior Loan. In addition, there may be a risk that the Borrower will not have sufficient resources to finance such incentive.

Limited Due diligence

Neither the Issuer nor the Issuer Security Trustee has undertaken or will undertake any investigations, searches or other due diligence in relation to any environmental, planning, structural or zoning issues regarding the Properties. The Arranger has, however, taken note of available environmental reports prepared in connection with the Properties. The Arranger, furthermore, has reviewed the insurance policies executed in respect of the Properties. Moreover, limited due diligence has been performed in respect of some randomly selected

Occupational Leases. Additionally, an investigation into the title to each of the Properties has been conducted. To the extent reports have been made available to the Arranger, such reports may only be relied upon by the addressees of such reports. The providers of these reports have limited their respective liability in respect of each of these reports. There is a risk in the counsel to the Joint Lead Managers carrying out such due diligence as this counsel is not familiar with the operations of the Obligors. It is of note that, in order to create a mortgage over a real property in the Netherlands, a public notary must conduct certain title due diligence to confirm that the relevant property is owned by the mortgagor.

CONSIDERATIONS RELATING TO THE SECURITY

Trust Deed

The Noteholders will benefit from the security granted in favour of the Issuer Security Trustee pursuant to the Issuer Security Documents. Under the terms of the Trust Deed, the Issuer will undertake to pay to the Issuer Security Trustee, on the same terms and conditions, an amount equal to the aggregate of all amounts from time to time due and payable by the Issuer to the Issuer Security Beneficiaries (including, but not limited to, the Noteholders) in accordance with the terms and conditions of the relevant Transaction Documents (such payment undertaking and the obligations and liabilities resulting from it being referred to as the "**Issuer Parallel Debt**"). The Issuer Parallel Debt represents an independent claim of the Issuer Security Trustee to receive payment thereof from the Issuer. The aggregate amount that may become due and payable under the Issuer Parallel Debt will never exceed the aggregate amount that may become due and payable under all of the Issuer's obligations to the Issuer Security Beneficiaries pursuant to the Transaction Documents, and every payment in respect of such Transaction Documents for the account of or made to the Issuer Security Beneficiaries directly in respect of such undertaking shall operate in satisfaction *pro tanto* of the corresponding covenant in favour of the Issuer Security Trustee. The Issuer Parallel Debt is secured by the Issuer Security Documents. Upon the occurrence of a Notes Event of Default (as defined in the Conditions), the Issuer Security Trustee may give notice to the Issuer that the amounts outstanding under the Notes (and under the Issuer Parallel Debt) are immediately due and payable and that it will enforce the Issuer Security Documents. The Issuer Security Trustee will apply the amounts recovered upon enforcement of the Issuer Security Documents in accordance with the provisions of the Trust Deed. The amounts payable to the Noteholders and other Issuer Security Beneficiaries under the Trust Deed will be limited to the amounts available for such purpose to the Issuer Security Trustee. Payments under the Trust Deed will be made in accordance with the Issuer Post-Enforcement Priority of Payments as set forth in the Trust Deed (see section *Credit Structure*).

It is generally assumed that under Dutch law a right of pledge cannot be validly created in favour of a person who is not the creditor of the claim that the right of pledge purports to secure. The Issuer Parallel Debt is included in the Trust Deed to address this issue. There is no statutory law or case law available on the validity or enforceability of a parallel covenant such as the Issuer Parallel Debt or the security provided for such debts. However, the Issuer has been advised that there are no reasons why a parallel covenant such as the Issuer Parallel Debt will not create a claim of the pledgee (i.e. the Issuer Security Trustee) thereunder which can be

validly secured by a right of pledge such as the rights of pledge created pursuant to the Issuer Security Documents.

Finance Documents

Borrower Parallel Debt

The considerations made in respect of the Issuer Parallel Debt apply *mutatis mutandis* in respect of the Borrower Parallel Debt included in the Facilities Agreement which Borrower Parallel Debt is secured by the Loan Security created by the Borrower Security Documents and the Telined Mortgage.

Joint and several liability

Each Borrower has bind itself as joint and several debtor (*hoofdelijk schuldenaar*) with the other Borrowers towards the Finance Parties for any and all obligations of any of the Borrowers in respect of any and all obligations under the Facilities Agreement and/or any Finance Document. In addition, pursuant to the Facilities Agreement, the Guarantor has irrevocably and unconditionally guaranteed to each Finance Party punctual performance (when the corresponding obligation is due and payable) by each Obligor of all that Obligor's obligations under the Finance Documents, and undertaken with each Finance Party that whenever an Obligor does not pay any amount when due and payable under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor. Moreover, the Guarantor has indemnified each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. Similarly, Telined Beheer B.V. has granted a mortgage over its Property to secure of obligations of each Obligor under the Finance Documents. Each of the Borrowers, the Guarantor and Telined Beheer B.V. forms part of the same group of companies. Under Dutch law, a company is not restricted from giving credit support to another (group) company provided that such company receives commensurate corporate benefit in giving the support. Whether there is a corporate benefit is a question of fact based on factors such as the creditworthiness of the Borrowers, the Guarantor and Telined Beheer B.V., projected cash flows available to service the debt, the amount of the company's assets compared to the total amount secured, the likelihood of the ability to draw under the Facilities Agreement, whether other Obligors share ratably in the debt burden etc. The following facts could nevertheless indicate that each Borrower, the Guarantor and Telined Beheer B.V. receives commensurate corporate benefit: (i) pursuant to the articles of association (*statuten*) of each of the Borrowers, the Guarantor and Telined Beheer B.V., such company is entitled to grant guarantees, to bind the company and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties include the granting of security for third parties, and (ii) the management board of each Borrower, the Guarantor and Telined Beheer B.V. has declared that the transaction is in the relevant company's corporate benefit.

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

Limitations in respect of certain Security Interests

Limitations on security over future receivables

Under the Borrower Security Documents, the relevant Obligors will pledge all of their present and future receivables. This will include a pledge over all lease receivables and insurance proceeds. Under Dutch law an undisclosed right of pledge can be established over future rights, provided that such rights directly result from an existing relationship (*rechtstreeks zullen worden verkregen uit een bestaande rechtsverhouding*). However, the right of pledge over a future right will only be perfected at the time such right comes into existence provided that, at that time, the pledgor is authorised to dispose over, or encumber such right (*beschikkingsbevoegd*). Therefore, if a future right directly resulting from an existing relationship comes into existence after the pledgor has been granted (preliminary) suspension of payments (*voorlopige surseance van betaling*) or has been declared bankrupt (*failliet verklaard*), such right will not be subject to the security right created by the relevant security document, such as the relevant Borrower Security Documents, and will therefore become part of the bankrupt estate of the pledgor, free from encumbrances (*onbezwaard*).

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 suspension 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 security right or any right of preference in respect of the proceeds of these lease receivables.

The above limitation also applies to any movable or immovable property or shares acquired by the security provider after it is declared bankrupt or is granted a suspension of payments. In respect of bank accounts this limitation applies to the extent that monies that are paid into the pledged bank account after the security provider is declared bankrupt or is granted a suspension of payments will not be subject to the rights of pledge created thereon and will fall into the bankrupt estate of the security provider. If in addition to the pledged bank accounts, the claim pursuant to which those monies were to be paid was itself pledged to the security holder, such security holder would be entitled to collect these monies on the basis of that right of pledge, provided such pledge has been disclosed to the relevant debtor. There is a risk that any interest accrued on any pledged account which is paid after the date the account holder is declared bankrupt or is granted a suspension of payments will also fall into the bankrupt estate of the security provider.

Insurance receivables

There is uncertainty under Dutch law as to whether a receivable under an insurance policy qualifies as a future asset. If an insurance receivable were to be qualified as a future receivable and such amounts become due and payable after the security provider's bankruptcy or suspension of payments, it will not be subject to the rights of pledge established over these insurance receivables pursuant to the relevant Borrower Security Document. 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 on the Loan Closing Date pursuant to the relevant

Borrower Security Document, irrespective of whether the receivable became due and payable after or before the security provider's bankruptcy or suspension of payments.

Under Dutch law the risk that an insurance receivable is regarded as a future asset is mitigated because a holder of a right of pledge or mortgage over an asset will by operation of law have a right of pledge and priority over any claims for compensation, including insurance claims, which replace that asset. In particular, the Security Agent, as the holder of a first ranking right of mortgage over the Properties will by operation of law have a pledge over any insurance claims in respect of such Properties. Since this security exists by operation of law it will not be subject to the insolvency risk of the security provider. The risk is further mitigated because the Security Agent will be named as a first loss payee (except in relation to the policies relating to third party liability insurances or these policies entered into by joint insured parties or by owners associations (see section *Risk Factors - Considerations relating to Dutch Property law - Insurance below*). Since the Security Agent is a secured creditor it will have an insurable interest in the Properties that are insured and therefore an independent claim under the insurance policy towards the insurer which is not subject to the bankruptcy risk of the security providers. This insurable interest will, however, for the Security Agent most likely only extend to the amount of the secured obligations outstanding at that time. This is however not different to the situation upon a foreclosure of the secured assets itself in respect of which any excess of the proceeds over the secured obligations would have to be transferred to the security provider(s).

Undisclosed pledges of lease receivables

The Borrower Security Documents contain a provision whereby the lease receivable in respect of occupational leases is pledged to the Security Agent. These pledges will be undisclosed pledges i.e. until a Loan Event of Default occurs, the tenants will not be notified about such pledge. The effect of this is that, if an Obligor, in breach of its covenant in the Finance Documents, disposes of assets (such as the leases) to any other party, would pledge its lease receivables to another party and subsequently gave notice of that pledge to the relevant tenant(s), then the relevant pledgee's claims would have priority over the Issuer's claims over the receivables in question. However, this would constitute a Loan Event of Default entitling the Issuer to accelerate the Senior loan and foreclose the Loan Security and therefore the Obligors are disincentivised from doing so.

Disclosed pledge of receivables under the Facilities Agreement

Pursuant to the Loan Receivables Pledge Agreement, the Issuer will, *inter alia*, pledge its interest under the Facilities Agreement. This includes a pledge over any existing and future claims against the Security Agent, as agent of the Finance Parties and hence any claim arising out of the obligation of the Security Agent under the Facilities Agreement to apply all moneys received or recovered by the Security Agent following an enforcement action pursuant to the terms of the Facilities Agreement in accordance with the Borrower Priority of Payments. In legal literature the question has arisen whether a claim similar to the claim of the Issuer (in its capacity as Senior Lender and Finance Party) vis-à-vis the Security Agent should be regarded as a future receivable in respect of which the above legal analyses applies. The Issuer has been advised that the risk that the relevant rights should be deemed to be future receivables is remote and that the better view is that the relevant receivables should be considered to be

conditional rights (*voorwaardelijke vorderingen*) which exist at the date of the execution of the relevant pledge agreement, albeit that these rights are conditional upon the occurrence of an enforcement action being taken by the Security Agent and collection proceeds being received by the Security Agent under the parallel debt undertaking pursuant to the Facilities Agreement.

Pledges of Limited Partnership Interests

Under Dutch law a limited partnership does not have separate legal personality, and is regarded as merely a contract entered into by one or more limited partners or one or more managing partners. The claims of a creditor of a limited partnership may be secured by (a) the partners in a limited partnership, acting collectively, mortgaging or pledging the assets of the limited partnership; and/or, (b) subject to an express provision in the limited partnership agreement, each partner pledging their participation in the limited partnership; and/or, (c) each partner pledging their respective conditional claims (e.g. to share in the profits of the limited partnership or and receive a portion of any sums left after the termination of the limited partnership) against the limited partnership. The pledge over a partnership interest must be regarded as a pledge over contractual rights/receivables (see under *Pledges of Receivables* above).

Under Dutch law, a security right in respect of a receivable or contractual right resulting from a contract will only create a security right in such receivable or contractual right and not in any other rights resulting from such contract or in the contract as a whole. This means that the holder of such security right will only have the right pursuant to that security right and not the right to perform any obligations of the grantor under such contract. Furthermore, certain rights of the grantor may be held to be of such a personal nature that they may not be exercised by a person other than the grantor. In this respect, it is uncertain under Dutch law whether a provision included in a deed of pledge of partnership interest in a limited partnership (*commanditaire vennootschap*) stipulating that voting rights attaching to the partnership interest will pass to the pledgee subject to the condition precedent of the occurrence of a default is effective. It might be argued that the voting rights are of such a personal nature that these rights may not be transferred to a person other than the partner himself (or subjected to a right of pledge).

Limitations in respect of the foreclosure of Dutch security rights

Limitations in respect of foreclosure

Under Dutch law, a holder of a Dutch security right can exercise the rights afforded by law to it as if there was no bankruptcy (*faillissement*) or suspension of payments (*surséance van betaling*) of the security provider. However, a bankruptcy or suspension of payments of a Dutch security provider would limit the rights of the security holder in some respects, the most important limitations of which are the following:

- (a) in respect of rights of pledge over rights and receivables, payments received by the security provider prior to notification of the account debtor of these rights and receivables of such rights of pledge or prior to termination of the authorisation given by the security holder to the security provider to collect payment of these rights and receivables after bankruptcy or suspension of payments of the security provider will be part of the bankrupt estate of the security provider, albeit that the security holder will be entitled to such

amounts by preference after deduction of general bankruptcy costs (*algemene faillissementskosten*);

- (b) a mandatory "cool-off" period (*afkoelingsperiode*) of up to a maximum period of eight (8) months in respect of either a bankruptcy or a suspension of payments (i.e. if a bankruptcy immediately follows a suspension of payments, the maximum period will be eight (8) 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
- (c) the security holder may be obliged to foreclose 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 foreclosure 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 foreclosure by preference but only after deduction of general bankruptcy costs and subject to the satisfaction of higher ranking claims of creditors.

In addition, in respect of the foreclosure procedure of a right of mortgage over real property, the following time limitations also apply which cannot be waived. 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 thirty (30) days between the proposed date of the sale and the date of the notice. In practice this period will take six (6) to 8 (eight) 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 fourteen (14) days.

If there is a dispute in respect of the application of the foreclosure proceeds, delays may occur due to the fact that a statutory procedure for the allocation of such proceeds will have to be followed.

Foreclosure process

Rights of pledge 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, either through:

- (a) in respect of undisclosed rights of pledge, a notification of the account debtor of these rights and receivables of such rights of pledge; or
- (b) in respect of disclosed rights of pledge, termination of the authorisation that may have been given by the security holder to the security provider to collect payment of these rights and receivables,

after which the account debtor can only discharge its obligations by paying to or to the order of the security holder. Under Dutch law only the highest ranking security holder will have this collection right.

Rights of pledge over movable property and shares and rights of mortgage must be foreclosed upon by way of a public auction, unless a security holder obtains approval of the Dutch preliminary relief judge for a private sale. When asking the preliminary relief judge, the security holder will have to make clear that the private sale would result in higher foreclosure proceeds than a public sale and moreover that there are no other parties who are likely to offer a better price under similar conditions. The court approval is discretionary but is likely to be granted if the proceeds of the private sale are likely to exceed the proceeds that would have been received if the secured assets were sold at a public auction. Also any holder of a lower ranking security right, would have the right to sell the respective secured assets (e.g. the Properties) in such a foreclosure sale, albeit that any holder of a higher ranking security right in respect of the secured assets will have priority over the proceeds arising out of such foreclosure sale. 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.

In respect of rights of pledge, it is furthermore possible that the security provider and the security holder agree to an alternative foreclosure procedure after the rights of the pledge have become enforceable.

Subject to the provisions in *Limitations in respect of foreclosure* 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 B.V. (*besloten vennootschap*), the articles of association of that company will 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 Security Agent will not be able to exercise the voting rights of the shares in the capital of the Borrower and/or the Guarantor. To mitigate this risk as much as possible, each Obligor will be obliged to do whatever is required to ensure that the Security Agent will have these voting rights and/or is able to exercise them in those circumstances. In this respect, each Obligor will, *inter alia*, be obliged to grant an irrevocable power of attorney to the Security Agent to exercise the voting rights on behalf of each Obligor 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 Security

Agent in its sole discretion, to only exercise these voting rights in those circumstances in accordance with the Security 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 suspension 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.

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 (or freehold) 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 does not give that person any ownership right in respect of the land but does give that person full ownership rights (until the expiry date of such building right) in respect of the buildings located on that land. 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 and a building right so that it also has access and the right to use the land as well as the building. The Issuer has been advised that in the Netherlands each of these rights would give a Borrower free and marketable title to the Properties (subject to any approval requirements that may exist on the basis of the terms of the relevant leasehold goods (see section *Leasehold* below)) and a Borrower would be regarded as the "owner" of the Properties (but in respect of the leasehold rights and the building rights, only until such rights expire (as described below)).

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. In addition, if a person holds a property subject to a leasehold right or a building right, then that person 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 that person fails to pay the ground rent for two (2) 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.

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.

The Portfolio consists of some Property owned by the relevant Borrower in legal (freehold) title (*eigendomsrecht*) or in respect of which the relevant Borrower has either leasehold rights (*recht van erfpacht*) or a combination of leasehold rights (*recht van erfpacht*) and building rights (*zelfstandig opstalrecht*). Generally, the holder of a leasehold right is obliged to make periodic payments of ground rent (*canon*), unless such ground rent has been paid in advance. The actual amount payable will be subject to renewal or increases subject to the terms and conditions agreed upon in the deed of leasehold rights. Reference is made to section *Description of the Properties* which contains information in respect of the Properties owned in legal freehold and leasehold and the current amounts payment as ground rent, to the extent such payment obligations exist.

Owners' Associations

A right of ownership, right of leasehold or a building right can be divided into a number of apartment rights (*apartementsrechten*). An apartment right gives the holder of that right a share in the divided estate with the exclusive right to use certain parts of the property and a right to use the communal parts of the property. All of the holders of apartment rights will, by operation of law, form an owners' association (*vereniging van eigenaren*). The holders of apartment rights usually pay a periodic amount to the owners' association as a contribution to, *inter alia*, the costs of maintenance of the communal areas and insurance for the entire building. A holder of an apartment right is entitled to grant security (e.g. a mortgage) in respect of that apartment right. See *Description of the Properties* below for a list of the Properties held in an owners' association.

A potential disadvantage of being a member of an owners' association is that decisions with respect to the entire property e.g. with respect to insurance or structural maintenance and improvements must be taken based on a vote by the members of the owners' association. Consequently, it is possible that decisions taken by the board of such owners' association may not be the same as if a Borrower had (in)direct control of the Property.

Transfer Restrictions

With respect to the Properties transfer restrictions may apply. These transfer restrictions may restrict a Borrower (or the Security Agent and/or the Issuer Security Trustee in the event of an enforcement sale) to transfer the property to a third party. Each of these restrictions is described in more detail below.

Municipalities Purchase Preference Act (Wet voorkeursrecht gemeenten)

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.

Purchase Options

Pursuant to the terms of some of the Occupational Leases, the tenant has been granted a right of first refusal to purchase the leased property upon an intended sale of the relevant Property, subject to the terms and conditions of the relevant Occupational Lease. Certain other tenants have been granted a right of first refusal to lease certain Properties (or part thereof) upon the expiry and/or termination of a current tenant. To the extent the Occupational Leases have been reviewed as part of the due diligence (see *Limited Due Diligence* above), the Occupational Lease does not stipulates that if the right of first refusal granted pursuant to the relevant agreement has not been exercise by the tenant, such tenant remains entitled to invoke its right in the future vis-à-vis future (prospective) buyers. There can, however, be no assurance that pursuant to the terms of the Occupational Leases which have not been reviewed the option right is imposed on any new landlord of the Property, it being noted, however, that the right of first refusal would not apply in the event of a foreclosure of any security in respect of such property.

Leasehold rights

The alienation or encumbrance of a leasehold right or a building right may be subject to approval by the owner. In respect of the Portfolio, certain properties are subject to a leasehold or building right in respect of which such transfer restriction applies. In respect of the creation of the Loan Security at the Loan Closing Date, the relevant municipalities have, subject to certain conditions, approved the transfer of the relevant property. Any such approval does not extend to a possible subsequent sale of a property, it being noted, however, that such approval would not be required in the event of a foreclosure of any security in respect of such property.

Compulsory purchase

Under Dutch law, a property may 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 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 Borrowers 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 will constitute a Loan Event of Default and lead to an acceleration of each 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 and payable 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 reach an agreement in the open market value of the property. Such a delay may, unless the Obligors have other funds available to it, give rise to a Loan Event of Default.

Legal framework relating to the leasing of property in the Netherlands

General

The Occupational Leases entered into in respect of the Properties were not, given their number, subject in all cases to individual due diligence. No assurance can be given therefore that all of the lease agreements fully comply with the statutory provisions and case law and are enforceable in all respects, are in line with the market standard and do not contain or trigger any onerous obligations for a Borrower.

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 the Occupational Leases. First, the provisions regarding general contract law apply. Secondly, the provisions of general lease law apply. Finally, Dutch law contains a number of specific provisions for the lease of residential space and commercial space which need to be considered. In respect of the latter category Dutch law draws a distinction between (i) retail space (e.g. shops, hotels, restaurants) and (ii) industrial space (e.g. office space, factories, warehouses, banks). In respect of residential space and retail space Dutch law contains many provisions to protect the lessee and as a consequence thereof one can (in general) not deviate to the lessee's disadvantage. However, the law in respect of industrial space is less restrictive.

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 be expected to continue that contract 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.

If a tenant is subject to bankruptcy proceedings, each of the lessor 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. A notice period of three months is generally considered to be sufficient. However, the parties are allowed to agree a different period or termination date.

General lease law

Except as set out below, if a tenant breaches any of its obligations under a lease agreement (including a failure to pay rent), the lessor may not terminate or dissolve that lease agreement without the permission of the Dutch courts. However, if the leased space is completely destroyed, the lease can be dissolved by either party. If the leased space is only partially destroyed, a tenant has the option to dissolve the lease agreement or claim a reduction of the rent.

Commercial Space - Lease Term

The Dutch Civil Code requires a lease in respect of retail space (*bedrijfsruimte*) 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 notice 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), (b) above or if (c) the tenant does not accept a reasonable offer to enter into a new lease agreement, (d) 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 (e) the landlord's interest in termination of the lease agreement outweighs the interests of the tenant in continuation of the lease agreement.

In respect of industrial and office spaces, Dutch law does not contain provisions concerning the term of the lease in respect. Hence, the parties are free to decide the term of an industrial lease whereby a 5-10 year lease period is market practice.

Some Occupational Leases expire prior to the Loan Maturity Date or has it first break exercisable prior to their Loan Maturity Date. Reference is made to the section *Tenants* in which the time to expiry of the lease contracts is presented weighted by the gross passing rent of the lease contracts.

Commercial Space - Rent

The rent will be set for each term. The rent can be adjusted at the end of a lease term or if a fixed term was not agreed upon, every five years. In respect of the lease of retail space only, If the current rent does not correspond with the rent of comparable leased properties in the area, the tenant and/or the landlord may request the court to determine a new rent. In respect of the Properties the tenant and landlord have waived this right until the expiry of the initial lease term. 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.

In respect of industrial and office spaces, Dutch law does not contain provisions concerning rent revision in respect of industrial or office space.

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 generally considered to be favourable to the lessor.

The Occupational Leases have been drawn up on the basis of the various ROZ standard agreements, including (but not limited to) the ROZ standard agreements for retail space (edition 1994) and the ROZ standard agreements for office space (edition 1986, 1994, 1996 and 2003).

The ROZ standard agreements and the corresponding general terms and conditions for retail Space (1994) and office space (e.g. 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 tenant is not informed of this separately. In respect of the retail leases the lessee or the lessor are entitled to request the court to amend and assess the rent (see above). With regard to industrial space, Dutch law does not contain provisions concerning rent revision.

VAT

Under Dutch law, the lease of immovable property is in principle exempt of VAT. Only in case the lessee can deduct 90 per cent. (in some cases 70 per cent.) or more of its input VAT the lessor and lessee can opt for a VAT taxable lease. Consequently, if a lease commences as VAT taxable by option and later becomes exempt (because the lessee's right to deduct input VAT decreases below the 90 per cent. (or 70 per cent.)) the landlord could be liable for (for a part) the VAT he had deducted on the acquisition and related cost (revision VAT). 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 effect on the cashflows of the Obligor. However, in these circumstances, it is common for the terms of the lease to require the lessee to pay such additional costs (VAT Compensation) of the landlord. Notwithstanding the fact that the lessee would pay such additional VAT Compensation to the landlord, the landlord will remain liable for the VAT payable under the VAT revision obligations (*herzienings-BTW*).

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 the Borrower itself does not 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.

Risk relating to environmental matters

Existing environmental legislation may impose liability for clean-up operating costs in relation to the management of the properties in general includes such items as third party management fees, advertising costs, insurance costs, utility costs, real estate partnership membership fees, real estate taxes, costs of service charges on vacant space and ground rent. There is a risk that fluctuations in such costs could affect the Borrowers' ability to make payments under the Facilities Agreement. Subject to certain conditions, the Lender may, if the Borrower fails to pay an amount due and payable to third parties providing service in respect of the Properties whose claim rank at least *pari passu* with the unsecured, unsubordinated and unguaranteed obligations of an Obligor, grant a Property Protection Loan to the Borrower, either by means of a payment to the Borrower or such third party directly, with monies drawn under the Liquidity Facility Agreement. There can, however, be no assurance that such Property Protection Loan will be granted or will be granted for the full amount due.

Under the Soil Protection Act (*Wet bodembescherming*), anyone with a right to a property, may be ordered to conduct a soil investigation if that person was or is an industrial user of the property. If the contamination is serious, that person may also be ordered to take temporary containment measures. In addition, the owner (*eigenaar*) or leaseholder (*erfpachter*) of a seriously contaminated property or anyone who may have caused that contamination may be ordered to conduct a soil investigation. If the contamination is serious such person may also be ordered to conduct a clean-up investigation, to clean up the property, to take temporary containment measures or to produce a clean-up plan. The relevant Borrower would therefore be primarily liable for the costs of 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 Issuer Security Trustee should incur responsibility for such liability prior to foreclosure of the Senior Loan, 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 circumstance (for instance, if the contamination is ongoing and the mortgagee was also a manager/director or exercising a significant degree of control or management over the use of the property) the mortgagee could be considered to be an industrial user and/or polluter. Therefore, the Issuer Security Trustee or the Security Agent could become responsible for environmental liabilities in respect of the Properties. The Security Agent will, however, be indemnified against any such liability under the terms of the Facilities Agreement, and amounts due in respect of any such indemnity will be payable in priority to payments to the Lender.

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. The government 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 tort 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 already spread to it.

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 which may have an effect on the 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 price lower than the Initial Property Value for such Property. 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 Borrower.

Due Diligence

As discussed under *Limited Due Diligence* above, no due diligence has been carried by or on behalf of the Issuer, the Issuer Security Trustee, the Arranger or the Joint Lead Managers with respect to environmental matters but the Obligors have represented in the Facilities Agreement, *inter alia*, that there are no breaches of environmental laws which could reasonably be expected to have a material adverse effect.

Planning and Zoning Matters

The Obligors have confirmed in the Facilities Agreement that the Properties owned by it 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.

Due Diligence

As discussed under *Limited Due diligence* above, no due diligence has been carried out by the Issuer, the Issuer Security Trustee, the Arranger or the Joint Lead Managers with respect to planning and zoning matters but each Obligor will represent in the Facilities Agreement, *inter alia*, that it has obtained all planning and zoning authorisations required to carry on its business as it is being conducted at the Loan closing Date in all material respects and that there are no material breaches of any such planning or zoning authorisations.

Insurance

Non-vitiatio

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 the Security Agent. 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-vitiatio" provision is not generally available in the Netherlands and it is therefore possible that the general insurance could be voided or terminated. However, the Finance Documents require the Obligors to procure insurance impairment cover in the name of, *inter alios*, the Security Agent to address this situation. Consequently, if the general insurance policy is voided or terminated as a result of a misrepresentation or non-disclosure of information then the Security Agent will be entitled to make a claim under its insurance policy in respect of any loss which would otherwise have been covered by the general insurance policy.

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. The Borrowers' ability to repay a 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 EUR 75 million per year.

Should an uninsured loss or a loss in excess of insured limits occur at a Property, an Obligor 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 make payments on a Facility 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.

Creditworthiness

The Obligors 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 Obligor will be required to maintain insurance policies with an insurance company or underwriter that has a credit rating of (a) in case of an insurance company or underwriter, long term instruments with a rating of, or a financial strength rating of, or (b) in the case of a group of insurance companies or underwriters, weighted average long term instruments with a similar rating of, or a similar financial strength rating of A (or better) by Fitch and A (or better) by S&P.

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 Obligor which may have an effect on the Borrower's ability to make payments under the Facilities Agreement and ultimately the Issuer's ability to make payments under the Notes.

Due diligence

As discussed under *Due diligence* above, no due diligence has been carried out with respect to insurance matters although the Borrowers' insurance broker has confirmed to the Arranger that the insurance policies taken out by the Borrower and the Property Companies comply with the terms of the Finance Documents.

TAX CONSIDERATIONS

Corporation tax

Corporation Tax Fiscal Unity

Some of the Obligors form a fiscal unity for Dutch corporation tax purposes (the "**CIT Fiscal Unity**"). As a consequence, Dutch corporation tax is levied from any Obligor as if there is only one taxpayer, in that the activities and the assets and liabilities of the Borrowers are deemed to form part of the activities and the assets and liabilities of the Borrower. This means that, generally, transactions between the members of the fiscal unity are disregarded for Dutch corporation tax purposes. Although the corporation tax due by the fiscal unity is in principle

levied from a Borrower, the members of the fiscal unity are jointly and severally liable for the corporation tax obligations of the fiscal unity.

A fiscal unity is formed upon joint request of the parent company and the subsidiary that wish to form a fiscal unity, provided that the parent company holds at least 95 per cent. of the legal title to, and economic interest in, the nominal paid up capital of the subsidiary and certain other criteria are satisfied. The fiscal unity terminates if, *inter alia*, the conditions are no longer satisfied or upon joint request of the members of the fiscal unity that do no longer wish to form a fiscal unity. A fiscal unity can include more than one subsidiary. The deconsolidation of a particular subsidiary does not necessarily result in the termination of the fiscal unity with regard the other members thereof.

Under specific circumstances, the termination of a fiscal unity may trigger the revaluation of assets for Dutch corporation tax purposes, possibly resulting in a corporation tax liability in respect of the capital gain to be recognized upon revaluation. This may be the case if, *inter alia*, a member of the fiscal unity transfers to another member of the same fiscal unity an asset, the fair market value of which exceeds the tax book value, and the fiscal unity is terminated within six (6) years after the transfer of such asset. The six (6) year period is reduced to three years in the case of the transfer of a business enterprise or an independent part of a business enterprise. This revaluation rule is laid down in article 15ai of the Wet op de vennootschapsbelasting 1969 (the Dutch 1969 Corporation Tax Act; "**CTA**"). Pursuant to the Facilities Agreement, the Parent has undertaken to promptly indemnify each Obligor (save for the Parent) against any cost or loss or liability incurred by any of them as a result of the fact that the Borrowers and the Guarantor are a member of a fiscal unity (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning any cost or loss or liability). In addition, the Parent has undertaken to promptly indemnify each Obligor (save for the Parent) against any cost or loss or liability incurred by any of them as a result of transfer tax in relation to a transfer and/or re-organisation of the Obligors and/or the Properties (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning any cost or loss or liability). A transfer of voting rights and/or dividend rights to the Security Agent under the Borrower Security Documents would also terminate the CIT Fiscal Unity as of the date of transfer of these rights.

Tax risks relating to the VAT Fiscal Unity

Some of the Obligors form a VAT fiscal unity (the "**VAT Fiscal Unity**"). As a part of the VAT Fiscal Unity, the Obligors will be jointly and severally liable for the VAT liabilities of the VAT Fiscal Unity to the extent that the liabilities have arisen during the period that the respective Obligors were part of the VAT Fiscal Unity. Also when making a refund to the VAT Fiscal Unity, the tax authorities may choose which member of the VAT Fiscal Unity they pay the refund to. A fiscal unity terminates as soon as the requirements (sufficient organisational, financial and economic links) are not fulfilled anymore; the joint and several liability only ends upon notification in writing to the tax authorities.

If one Obligor loses its majority shareholding, including the power to control, in any of the other Obligor as a result of the sale or issue of shares therein, the fiscal unity with respect to the

relevant other Obligor or Obligors, as the case may be, will terminate. A transfer of voting rights and/or dividend rights to the Security Agent under the Borrower Security Documents would generally also terminate the VAT Fiscal Unity. The termination of the fiscal unity is as such not a taxable event for VAT purposes and should not trigger any specific VAT liability. Furthermore, as a result of the termination, the Borrower and the Property Companies should, in principle, no longer be held liable for VAT liabilities of the other fiscal unity members that have arisen after the moment the fiscal unity was broken, provided that the taxpayer has promptly informed the tax authorities about the termination of the VAT Fiscal Unity.

Transfer tax risk

Upon transfer of the Properties within the group of Obligors, the internal reorganisation exemption for transfer tax purposes has been applied. Consequently, if within three (3) years of the transfer of the Properties, a Borrower owning a Property no longer belongs to the current corporate group (i.e. a third party, as defined for real estate transfer tax purposes, acquires more than 10 per cent. of the shares in a Borrower or more than 10 per cent. of the shares in a Property Company) the internal reorganisation exemption as claimed for real estate transfer tax purposes will be rescinded and the Borrower, will have to pay 6 per cent. transfer tax on the fair market value of the Property transferred. The tax authorities take the view that this is also the case if a third party (as defined for real estate transfer tax purposes) acquires at least 90 per cent. of the shares in the parent of the current corporate group, as in that event a new group is formed for real estate transfer tax purposes (thereby terminating the existing corporate group). Furthermore, the tax authorities take the position that the transfer of the voting rights and/or the dividend rights attached to the shares in the capital of a Borrower would also trigger the claw back. Since each Borrower which has applied the internal reorganisation exemption for transfer tax purposes will be considered a real property company for real estate transfer tax purposes, the Security Agent would become subject to real estate transfer tax (within or after the three (3) year period) if as a result of transfer of voting rights and/or dividend rights it acquires the ownership of, or economic interest in, the shares in the relevant Borrower. Reference is made to the description of the tax indemnity given by the Parent as more fully described in the section *Key Terms of the Facilities Agreement and the Senior Loan*, which indemnity applies if tax liabilities are incurred by any Obligor (save for the Parent) as a consequence of the internal reorganisation.

Risk relating to conflict of interests

General

The potential for various conflicts of interest exists with respect to the offering of the Notes, including conflicts of interests among any Obligor, the Sponsor, the Initial Lender, the Subordinated Lenders, the Servicer, the Special Servicer, the Borrower Swap Counterparty, the Back-Up Borrower Swap Counterparty, the Property Managers and the Joint Lead Managers.

Conflicts between the Initial Lender and the Issuer

Conflicts of interest between the Initial Lender and affiliates of the Initial Lender that engage in the acquisition, development, operation, financing and disposition of commercial property and the Issuer may arise because neither the Initial Lender nor such affiliates will be prohibited in any way from engaging in business activities similar to or in competition with those of the

Borrowers. The Initial Lender and its affiliates intend to continue to actively acquire, develop, operate, finance and dispose of property-related assets in the ordinary course of their business. During the course of their business activities the Initial Lender and its affiliates may acquire, own or sell properties or finance loans secured by properties which are in the same markets as the Properties. In such a case, the interests of the Initial Lender or any affiliate may differ from and compete with the interests of the Issuer and decisions made with respect to such assets may adversely affect the amount and timing of payments with respect to the Notes. In addition, the Initial Lender and its affiliates may have business, lending or other relationships with, or equity investments in, obligors under loans or tenants and conflicts of interest could arise between the interests of the Issuer and the interests of the Initial Lender and such affiliates arising from such business relationships.

Conflicts between Servicer and Special Servicer

Conflicts of interest may arise between the Issuer and the Servicer or Special Servicer because each of the Servicer and Special Servicer 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 Servicer and Special Servicer 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 Servicer and Special Servicer may differ from, and compete with, the interests of the Issuer, and decisions made with respect to those assets may adversely affect the value of the Properties and therefore the ability to make payments under the Notes.

There 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 a Loan. The properties securing any such loans or Notes 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 a Loan at the same time as they are performing services on behalf of other persons with respect to similar loans or Notes. 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 impose inherent conflicts for the Servicer or the Special Servicer.

The Servicing Agreement will require the Servicer and the Special Servicer to service the Whole Loan in accordance with the Servicing Standard. Certain discretions are given to the Servicer and the Special Servicer in determining how and in what manner to proceed in relation to a Loan. Further, as the Servicer and the Special Servicer may each acquire Notes, either of them could, at any time, may have interests which conflict with the interests of the other holders of the 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 Issuer and the Subordinated Lenders

The Servicer and the Special Servicer will also be appointed to service the Subordinated Loan in accordance with the requirements of the Intercreditor Deed and the Servicing Agreement. Among other things, this means that following the occurrence of an event of default in relation to the Whole Loan, the Servicer or the Special Servicer, as applicable, will be required to maximise

recoveries on the Senior Loan and the Subordinated Loan as a collective whole. Consequently, the relevant servicer and special servicer may be prevented from pursuing a course of action, even if that course of action may lead to a full recovery on the Senior Loan, if it would not maximise recoveries on the Senior Loan and the Subordinated Loan as a collective whole. However, each Subordinated Lender acknowledges in the Servicing Agreement that, due to the subordinated nature of its interest under the Facilities Agreement, even if the relevant servicer or special servicer complies with its obligation to maximise recoveries on the Senior Loan and its Subordinated Loan as a collective whole, that may result in the relevant Subordinated Lender suffering a loss in circumstances where no loss, or a smaller loss, is suffered by the Issuer.

The consent of the Subordinated Lenders must be obtained prior to the Servicer or Special Servicer agreeing to modifications or waivers of certain terms of the relevant Whole Loan. The views of a Subordinated Lender, in relation to any amendment, waiver or approval in respect of which its consent must be obtained, may differ from those of the Servicer or Special Servicer and may prevent the Servicer and Special Servicer from taking action in relation to the proposed modification or waiver which it would otherwise consider appropriate to take in accordance with its contractual obligation. This would prevent the relevant modification or waiver from being undertaken. However, the right of a Subordinated Lender to consent cannot cause the Servicer or the Special Servicer to be in breach of the Servicing Standard prescribed by the Servicing Agreement. Furthermore, no Subordinated Lender will have any ability to prevent the Servicer or, as applicable, the Special Servicer from taking or completing any enforcement action realising the relevant Loan Security.

NIBC will be appointed to act as the Servicer on the Closing Date. As mentioned above, in performing its duties in such capacities, NIBC (or any other person acting in such capacities) must disregard its ownership or the ownership of any of its affiliates of any interest in the Subordinated Loan (if any). NIBC or any other related party could also be an initial Subordinated Lender, although it may in due course transfer some or all of its interest in the Subordinated Loan to a third party and may provide finance to the transferee in connection with its acquisition of its interest in the Subordinated Loan.

Conflicts between the Interests of the Noteholders and the Controlling Party

Prior to the Servicer or Special Servicer making certain modifications with respect to the Whole Loan, the Servicer or Special Servicer, as the case may be, will be required to obtain the approval of the Controlling Party, which may be the Subordinated Lenders. Investors in the Notes should consider that a Controlling Party may and, in certain events, will have interests that conflict with those of the other Noteholders and may oppose actions that would benefit some holders of the Notes. However, where there is a conflict between the opinion of the Controlling Party and the Servicer or the Special Servicer, as the case may be, the opinion of the Servicer and the Special Servicer will prevail where in the reasonable opinion of the Servicer and the Special Servicer, there is a conflict with the Servicing Standard and the other terms of the Servicing Agreements, notwithstanding their consultation with a Controlling Party.

Conflicts between the Operating Adviser and the Noteholders

The Controlling Class may, subject to certain conditions, appoint an Operating Adviser as its or their, as the case may be, representative. 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 which it represents 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.

Related Parties May Purchase Notes

Related parties, including the Servicer, the Special Servicer, any Joint Lead Manager 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 Whole Loan is 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.

NIBC

NIBC will act in various roles as the Joint Lead Manager, the Servicer, Principal Paying Agent, Calculation Agent and Listing Agent. 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.

Fortis Bank

Fortis Bank will act in various roles as Back-Up Borrower Swap Counterparty, Joint Lead Manager and Liquidity Facility Provider. 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.

GENERAL CONSIDERATIONS

Reliance on warranties

Neither the Issuer nor the Issuer Security Trustee has independently undertaken or will undertake any investigations, searches or other actions as to the status of any of the Obligors or the Properties as to the accuracy of the various representations given by the Obligors in respect of each Senior Facility, the Loan Security and related matters. Instead, they will rely on the representations and warranties to be given by the Obligors under the Finance Documents and the representations and warranties given by the Initial Lender under the Loan Transfer Agreement.

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations under the Notes. It should be noted that there is a risk that, *inter alia*, either NIBC in any of its capacities or

Fortis Bank, in any of its capacities will not perform its obligations vis-à-vis the Issuer.

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 and European 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 or European law or administrative practice after the date of this document, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes.

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

CREDIT STRUCTURE

The structure of the credit arrangements for the proposed issue of the Notes may be summarised as follows.

BORROWER ACCOUNTS

In accordance with the Facilities Agreement, Breevast Properties Holding B.V. (the "**Accounts Agent**") maintains with a bank (the "**Borrower Account Bank**"), whose short-term unsecured, unsubordinated and unguaranteed debt obligations are assigned a credit rating of at least F1 by Fitch and A-1+ by S&P, the following accounts (each a "**Control Account**"):

- (a) an account designated the "**Loan Service Account**";
- (b) an account designated the "**Disposal Proceeds Account**";
- (c) an account designated the "**Insurance Proceeds Account**";
- (d) an account designated the "**General Account**"; and
- (e) an account designated the "**Maintenance Reserve Account**".

In addition, each Borrower shall maintain an account designated the "**Collection Account**" with the Borrower Account Bank (such accounts collectively the "**Collection Accounts**").

Save for the Control Accounts and the Collection Accounts (each a "**Borrower Account**" and collectively the "**Borrowers Accounts**") no Obligor (save for the Parent) may, without the prior consent of the Facility Agent, maintain any other bank account.

Each Obligor (save for the Parent) must ensure that no Borrower Account goes in overdraft.

Collection Accounts

Each Borrower is permitted to receive rental income in respect of a Property into a Collection Account maintained by it with the Borrower Account Bank and in respect of which the Borrower has exclusive authority to operate such accounts.

A Borrower shall pay its Operating Costs from monies standing to the credit of its Collection Account and shall in no event pay any Management Fee which exceeds 3 per cent. of the Total Rental Income during the last twelve (12) months (on a rolling basis) (all as defined in the Facilities Agreement – see section *Certain Loan Definitions*).

Loan Service Account

The Facility Agent has been granted exclusive authority to operate the Loan Service Account.

Each Obligor must ensure that no later than the 15th day of each calendar month, an amount equal to the sum of the following amounts (collectively the "**Debt Service Amount**") shall be credited to the Loan Service Account:

- (a) the unpaid fees, costs, Break Costs, Prepayment Compensation Amounts and expenses of the Finance Parties in connection with the Finance Documents to the extent not already credited to the Loan Service Account;
- (b) the outstanding amount (including any interest accrued thereon) of any Hedging Loan, any Hedging Termination Payment and any Property Protection Loan to the extent not already credited to the Loan Service Account;
- (c) 1/3rd of any amount due and payable under the Borrower Swap Agreement on the immediately succeeding Loan Interest Payment Date, minus 1/3 of any amount to be received by the Borrower under the Borrower Swap Agreement;
- (d) 1/3rd of any interest due and payable under the Facilities Agreement on the immediately succeeding Loan Interest Payment Date; and
- (e) any principal due and payable under the Facilities Agreement on the immediately succeeding Loan Interest Payment Date.

If any payment of any amount referred to above is paid into a bank account other than the Loan Service Account that payment shall be paid immediately into the Loan Service Account.

If any payment is made into the Loan Service Account which should have been paid into another Control Account, then, unless a Loan Event of Default is outstanding, the Facility Agent shall, at the request of the Accounts Agent and on receipt of evidence satisfactory to the Facility Agent that the payment should have been made to that other Control Account, pay that amount to that other Control Account.

The Facility Agent shall, and is irrevocably authorised by the Obligors to, withdraw from, and apply amounts standing to the credit of, the Loan Service Account, on each Loan Interest Payment Date, in the following order (such priority of payments hereinafter the "**Borrower Priority of Payments**"):

- (a) *firstly*, in or towards payment pro rata of unpaid fees, costs, Break Costs and expenses of the Finance Parties;
- (b) *secondly*, in or towards the payment pro rata of any amount due and payable under any Hedging Arrangements, other than any Hedging Termination Payment due and payable as a result of the occurrence of an Event of Default (as defined in the Hedging Arrangement) where the Borrower Swap Counterparty is the defaulting party;

- (c) *thirdly*, in or towards the pro rata payment of any interest due and payable under Facility A and Facility B;
- (d) *fourthly*, in or towards the pro rata payment of any principal due and payable under Facility A and Facility B;
- (e) *fifthly*, towards any Prepayment Compensation Amount due and payable under the Facilities Agreement;
- (f) *sixthly*, towards the funding of the Maintenance Reserve Account subject to the provisions Facilities Agreement; and
- (g) *seventhly*, into the General Account.

Disposal Proceeds Account

The Facility Agent has been granted exclusive authority to operate the Disposal Proceeds Account.

Each Obligor shall ensure that any Disposal Proceeds to be received by it in respect of a Disposal are paid directly on completion of that Disposal into the Disposal Proceeds Account.

Within twelve (12) months after the day of a Disposal, the Facility Agent will, and is irrevocably authorised by the Accounts Agent (as defined in the Facilities Agreement, the "**Accounts Agent**") to, withdraw from the amount standing to the credit of the Disposal Proceeds Account, the amount requested by a Borrower to be paid into an account designated by such Borrower for application towards the consideration due and payable in respect of the acquisition of a Substitute Property or a Substitute Property Company, as the case may be, subject to provisions of the Facilities Agreement.

On the Loan Interest Payment Date immediately succeeding the date which is twelve (12) months after the date of the relevant Disposal, the Facility Agent will, and is irrevocably authorised by the Borrower to withdraw from, and apply the amounts standing to the credit of, the Disposal Proceeds Account in accordance with the Borrower Priority of Payments.

In addition, the Facility Agent may authorise withdrawals on each Loan Interest Payment Date from the Disposal Proceeds Account to pay, any amount due and payable in accordance with the Borrower Priority of Payments.

Any amounts in excess of the Allocated Loan Amount and the related Disposal Premium shall be credited to the General Account.

See further section *Key Term of the Facilities Agreement and the Senior Loan - Disposal of Properties* below.

Insurance Proceeds Account

The Facility Agent has been granted exclusive authority to operate the Insurance Proceeds Account.

The Account Agents shall ensure that all monies received by any Obligor under any insurance policy are paid directly into the Insurance Proceeds Account.

If an amount (a "**reinstatement amount**") claimed under an insurance policy is received into the Insurance Proceeds Account and the relevant Obligor has delivered to the Lender:

- (a) a certification that the reinstatement amount is required, pursuant to the relevant Lease Document, insurance policy or the relevant law or regulation, to be applied in or towards the replacement, restoration, reinstatement, rebuilding, refurbishment or repair (each a "**reinstatement**") for which it is intended; and
- (b) evidence of the terms of the relevant Lease Document, insurance policy or the relevant law or regulation requiring such application of that reinstatement amount,

that reinstatement amount will be held in the Insurance Proceeds Account pending application in accordance with the following provisions described under *Reinstatement* below.

Reinstatement

Upon receipt of evidence (in the form of invoices or otherwise) satisfactory to the Facility Agent that payment of an expense required to be paid (in compliance with the terms of the relevant Lease Document, insurance policy, the relevant law or regulation) from a reinstatement amount, in or towards the reinstatement for which it is to be applied, is due or is about to be required, the Facility Agent shall, as soon as reasonably practicable, either:

- (a) arrange for payment from the Insurance Proceeds Account of the relevant expense directly to the payee of any relevant invoice; or
- (b) transfer an amount to the General Account in order to enable an Obligor to settle the expense directly.

Following the payment of any reinstatement amount to the General Account, the relevant Obligor must demonstrate to the Facility Agent its compliance with the terms of the relevant Lease Document, insurance policy, the relevant law or regulation requiring or permitting the application of proceeds of insurance in or towards the relevant reinstatement by means of a certification to that effect, promptly once the relevant work has been carried out, together with evidence of the amounts spent on such work and (if relevant) evidence that any remaining balance has then been transferred from the General Account into the Insurance Proceeds Account.

The Facility Agent is not required to pay or transfer any amount from the Insurance Proceeds Account to the extent that the aggregate of all amounts requested to be so paid or transferred in respect of any reinstatement exceeds the reinstatement amount designated for that reinstatement.

Third party liability insurance

If an amount claimed under any third party liability insurance is paid into the Insurance Proceeds Account in accordance with the terms of the relevant policy and the Facilities Agreement, the Facility Agent shall, as soon as reasonably practicable after receiving evidence satisfactory to it that the relevant amount (or a portion of it) is to be paid to the relevant third party in respect of the liability for which the proceeds of the relevant claim were received, withdraw from, and apply the relevant amount (or portion thereof) standing to the credit of, the Insurance Proceeds Account directly to the relevant third party.

The Facility Agent is only obliged to make a withdrawal from the Insurance Proceeds if:

- (a) no Default is outstanding; and
- (b) the Repeating Representations are correct and will be correct in all material respects immediately after the withdrawal.

The Facility Agent is authorised to debit on each Loan Interest Payment Date from the Insurance Proceeds Account to pay any amount due but unpaid under the Finance Documents in accordance with the Borrower Priority of Payments.

Provided that no Default is outstanding, the Facility Agent shall upon request of the Accounts Agent credit any Insurance Proceeds which are lower than € 1,000,000 to the General Account.

Except as otherwise provided above, the Facility Agent may, and is irrevocably authorised by the Obligors to, withdraw from, and apply each amount standing to the credit of the Insurance Proceeds Account and which is in excess of € 1,000,000, towards prepayment of a Facility thirty (30) days after the date of receipt of the insurances in accordance with the Borrower Priority of Payments (see further section *Key terms of the Facilities Agreement and the Senior Facility - Insurances* below).

Maintenance Reserve Account

The Facility Agent shall be granted exclusive authority to operate the Maintenance Reserve Account.

If in the reasonable opinion of the Facility Agent (and after consultation with the Parent), the structural maintenance of a Property has adversely affected or is reasonably likely to adversely affect the value of the Properties (the "**Value Deficit**"), the Facility Agent will in consultation with the Parent appoint a third party advisor who will provide a binding advise on what amounts will have to be transferred to the Maintenance Reserve Account to cure the Value Deficit. The Obligors shall be obliged to make any payments so designated into the Maintenance Reserve Account promptly upon the first request of the Facility Agent.

The Facility Agent is only obliged to make a withdrawal from the Maintenance Reserve Account, if:

- (a) no Default is outstanding; and

- (b) the Repeating Representations are correct and will be correct in all material respects immediately after the withdrawal.

The Facility Agent is authorised to debit:

- (a) at an Interest Payment Date from the Maintenance Reserve Account to pay any amounts due and payable in accordance with the Borrower Priority of Payments; or
- (b) at any time towards maintenance of a Property to cure the Value Deficit.

General Account

The Accounts Agent has exclusive authority to operate the General Account except that at any time when a Default is outstanding and after the Loan Step-Up Date, the Facility Agent may, and is irrevocably authorised by the Accounts Agent to solely:

- (a) operate the General Account; and
- (b) withdraw from and apply amounts standing to the credit of, the General Account in or towards any purpose for which, moneys in any Control Account may be applied.

The Account Agent must ensure that any amount received by it, other than amounts specifically required to be paid pursuant to the terms of the Facilities Agreement into any other Control Account, is paid into the General Account.

If no Default is outstanding and no amount is due to be transferred to the Maintenance Reserve Account, the Accounts Agent may withdraw any amount from the General Account

ISSUER ACCOUNTS

Issuer Transaction Account

The Issuer will open and maintain with the Issuer Account Bank a deposit account designated the "**Issuer Transaction Account**", into which all amounts received from an Obligor in respect of the Senior Loan, and certain amounts received from the Subordinated Lenders, to the extent described below (representing cure payments or amounts owed to, *inter alia*, the Servicer and the Special Servicer, in respect of fees and expenses) will be identified as principal, interest or other revenue receipts. Moreover, any amounts relating to a Drawing (which includes a drawing made for the purpose of financing a Hedging Loan and/or Property Protection Loan) made under the Liquidity Facility Agreement, will be credited into the Issuer Transaction Account. The Issuer has exclusive authority to operate the Issuer Transaction Account.

Class X Principal Account

The Issuer will open and maintain with the Issuer Account Bank a deposit account designated the "**Class X Principal Account**" into which the Issuer will deposit on the Closing Date the net proceeds of the Class X Notes in the amount of € 50,000. The amount standing to the credit of the Class X

Principal Account will be available to pay principal only on the Class X Notes when such principal is due as noted above. Any interest amounts accrued on the Class X Principal Account will form part of the Notes Interest Available Amount.

Issuer Capital Account

The Issuer will open and maintain with the Issuer Account Bank an account designated the "**Issuer Capital Account**" (such account together with the Issuer Transaction Account and the Class X Principal Account, the "**Issuer Accounts**"), into which € 18,000 will be credited to satisfy the minimal capital contribution at incorporation of the Issuer.

Furthermore, prior to an Enforcement Notice on each Notes Interest Payment Date, the Issuer, or the Servicer on its behalf (or if the Loan is specially Serviced, the Special Servicer) shall withdraw amounts from the Issuer Transaction Account to make payments in accordance with the relevant priority of payments. The Issuer or the Servicer on its behalf may also withdraw amounts from the Issuer Transaction Account and/or the Issuer Capital Account at any other time to pay any expenses (other than to any party to any of the Transaction Documents). After an Enforcement Notice being served, the Issuer Account Bank will comply with any directions of the Issuer Security Trustee to effect payments from the Issuer Transaction Account in accordance with the Issuer Post-Enforcement Priority of Payments.

ISSUER PRIORITY OF PAYMENTS

Payments of interest pre-enforcement

Issuer Pre-Enforcement Priority of Payments

Prior to the delivery of an Enforcement Notice by the Issuer Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date as being received or expected to be received during the then current Notes Interest Period (as defined in the Conditions) (items (a) up to and including (i) being hereafter referred to as the "**Notes Interest Available Amount**"):

- (a) all monies (other than principal) paid to the Issuer under or in respect of the Finance Documents (including any break costs, tax gross-up payments, indemnities but excluding any Prepayment Compensation Amounts) excluding any amounts of interest that accrued prior to the transfer of the Senior Loan to the Issuer that are payable to the Initial Lender pursuant to the Loan Transfer Agreement;
- (b) any amounts received in respect or relating to a Hedging Loan and/or a Property Protection Loan;
- (c) all monies relating to principal and credited to the Issuer Transaction Account pursuant to item (l) of the Interest Priority of Payments, item (g) of the Sequential Principal Priority of Payments and item (b) of the Pro Rata Principal Priority of Payments on the immediately preceding Notes Interest Payment Date;
- (d) any interest accrued upon the Issuer Accounts;

- (e) any amounts to be drawn under the Liquidity Facility (other than a Liquidity Facility Stand-by Drawing) on the immediately succeeding Notes Calculation Date (other than relating to a Hedging Loan and/or a Property Protection Loan);
- (f) any amounts (other than principal) received from the Initial Lender pursuant to the Loan Transfer Agreement;
- (g) any amounts paid by a Subordinated Lender (other than principal) in respect of a purchase of the Senior Loan or the payment of a Cure Payment in respect of the Senior Loan pursuant to the terms of the Intercreditor Deed;
- (h) any amounts representing the fees and expenses payable to the Servicer or Special Servicer or other party (other than the Subordinated Lender) pursuant to the terms of the Intercreditor Deed; and
- (i) any amounts received in connection with a sale, transfer or assignment of the Senior Loan pursuant to the Facilities Agreement or any other amounts received pursuant to the Facilities Agreement to the extent such amounts do not relate to principal,

will, pursuant to the terms of the Trust Deed, be applied by the Issuer (or the Servicer on its behalf) on the immediately succeeding Notes Interest Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Interest Priority of Payments**"):

- (a) *firstly*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Directors under the relevant Management Agreements, (ii) the fees or other remuneration and indemnity payments (if any) due and payable to the Issuer Security Trustee, (iii) making good any amounts withdrawn from the Issuer Capital Account during the immediately preceding Notes Interest Period to pay any expenses (other than to any party to any of the Transaction Documents) and (iv) any costs, charges, liabilities and expensed incurred by the Issuer Security Trustee;
- (b) *secondly*, in or towards payment, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Servicer pursuant to the Servicing Agreement (including any substitute servicer appointed in accordance therewith), (ii) any amounts due and payable to the Special Servicer pursuant to the Servicing Agreement (including any substitute special servicer appointed in accordance therewith and including any Special Servicing Fee, Liquidation Fee or Workout Fee) and (iii) the fees and expenses due and payable to the Issuer Account Bank pursuant to the Issuer Account Bank Agreement;
- (c) *thirdly*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) the amounts due and payable (but not yet paid prior to the relevant Notes Interest Payment Date) to third parties under obligations incurred in the Issuer's business

(other than under the relevant Transaction Documents), including, without limitation, in or towards satisfaction of amounts or provisions for any payment of the Issuer's liability, if any, to tax (ii) the fees and expenses due and payable to the Paying Agents and any other agent designated under any of the relevant Transaction Documents, (iii) the amounts due and payable to the Rating Agencies and (iv) the fees and expenses due and payable to any legal advisors, accountants and auditors appointed by the Issuer;

- (d) *fourthly*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility, or following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Ledger, *less* (i) in the event a Liquidity Facility Stand-by Drawing is made an amount equal to the positive difference between (x) the interest due and payable to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement over that part of the balance standing to the credit of the Liquidity Facility Stand-by Ledger and (y) the interest received from the Issuer Account Bank over the balance standing to the credit of the Issuer Transaction Accounts which equals the balance standing to the credit of the Liquidity Facility Stand-by Ledger and (ii) any amounts in respect of increased costs, mandatory costs, tax gross up amounts or additional amounts due and payable under the Liquidity Facility Agreement (the amounts under (i) and (ii) referred to as (the "**Liquidity Subordinated Amounts**");
- (e) *fifthly*, in or towards satisfaction, *pro rata* and *pari passu*, in accordance with the respective amounts thereof of the amounts of interest due or accrued due but unpaid in respect of the Senior Class A Notes and the Class X Notes;
- (f) *sixthly*, in or towards satisfaction, *pro rata*, of the amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class B Notes;
- (g) *seventhly*, in or towards satisfaction, *pro rata*, of the amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class C Notes;
- (h) *eighthly*, in or towards satisfaction, *pro rata*, of the amounts of interest due or accrued due but unpaid in respect of the Junior Class D Notes;
- (i) *ninthly*, in or towards satisfaction, *pro rata*, of the amounts of interest due or accrued due but unpaid in respect of the Junior Class E Notes;
- (j) *tenthly*, in or towards satisfaction, *pro rata*, of the amounts of interest due or accrued due but unpaid in respect of the Subordinated Class F Notes;
- (k) *eleventhly*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any Liquidity Subordinated Amounts due and payable under the Liquidity Facility; and
- (l) *twelfthly*, any surplus will be credited into the Issuer Transaction Account to form part of the Notes Interest Available Amount on the immediately succeeding Notes Interest Payment Date.

Prior to the delivery of an Enforcement Notice by the Issuer Security Trustee, any amount calculated as at each Notes Calculation Date as being received or expected to be received during the then current Notes Interest Period as prepayment compensation amounts paid to the Issuer under or in respect of the Finance Documents will be allocated *pro rata* to the holders of the Class X Notes on the immediately succeeding Notes Interest Payment Date.

Payments of principal pre-enforcement

Sequential Principal Priority of Payments

Prior to the delivery of an Enforcement Notice by the Issuer Security Trustee, the Issuer, or the Servicer on its behalf, shall on each Notes Interest Payment Date apply the Notes Principal Available Amount, to the extent not relating to any Disposal calculated as at the Notes Calculation Date immediately preceding such Notes Interest Payment Date and applied pursuant to the Pro Rata Principal Priority of Payment on such Notes Interest Payment Date in accordance with Condition 6(c), as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Sequential Principal Priority of Payments**"):

- (a) *firstly*, in or towards satisfaction of any amounts due on the Senior Class A Notes, until fully redeemed;
- (b) *secondly*, in or towards satisfaction of any amounts due on the Mezzanine Class B Notes, until fully redeemed;
- (c) *thirdly*, in or towards satisfaction of any amounts due on the Mezzanine Class C Notes, until fully redeemed;
- (d) *fourthly*, in or towards satisfaction of any amounts due on the Junior Class D Notes, until fully redeemed; and
- (e) *fifthly*, in or towards satisfaction of any amounts due on the Junior Class E Notes, until fully redeemed; and
- (f) *sixthly*, in or towards satisfaction of any amounts due on the Subordinated Class F Notes, until fully redeemed; and
- (g) seventhly, any surplus will be credited on the Issuer Transaction Account to form part of the Notes Interest Available Amount on the immediately succeeding Notes Interest Payment Date.

For this purpose:

"Notes Principal Available Amount" means the sum of the amounts calculated as at each Notes Calculation Date as being received or expected to be received during the then current Notes Interest Period (as defined in the Conditions), as (i) principal receipts in respect of or relating to the Senior Loan (excluding for the avoidance of doubt any Prepayment Compensation Amount, but including

any Disposal Premium received by the Issuer (as Senior Lender) under the Senior Loan), (ii) any amounts (to the extent relating to principal) received from the Initial Lender pursuant to the Loan Transfer Agreement, (iii) any amounts paid by a Subordinated Lender (to the extent relating to principal) in respect of a purchase of the Senior Loan or the payment of a Cure Payment made to remedy a non-payment of interest in respect of the Senior Loan pursuant to the terms of the Intercreditor Deed and (iv) to the extent not included above, any full or partial recoveries in respect of principal, net insurance proceeds, compulsory purchase proceeds and net enforcement or liquidation proceeds received in respect of the Senior Loan.

Pro Rata Principal Priority of Payments

Prior to the delivery of an Enforcement Notice by the Issuer Security Trustee, the Issuer, or the Servicer on its behalf, shall on each Notes Interest Payment Date apply the Notes Principal Available Amount to the extent relating to any Disposal only on the immediately succeeding Notes Interest Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Pro Rata Principal Priority of Payments**" and the Sequential Principal Priority of Payments, the Pro Rata Principal Priority of Payments and the Interest Priority of Payments each a "**Issuer Pre-Enforcement Priority of Payments**"):

- (a) *firstly*, in or towards satisfaction, on a *pro rata* and *pari passu* basis, to the payments of all amounts of principal due on each Class of Notes (other than the Class X Notes) at their respective Principal Amount Outstanding, until fully redeemed; and
- (b) *secondly*, any surplus will be credited on the Issuer Transaction Account to form part of the Notes Interest Available Amount on the immediately succeeding Notes Interest Payment Date.

Prior to the Class X Maturity Date the Class X Notes may not be redeemed on any Notes Interest Payment Date unless (i) the application of any Principal Redemption Amount (as defined in Condition 6 (d)) towards redeeming the Notes (other than the Class X Notes) pursuant to Condition 6 will result in the Notes (other than the Class X Notes) being redeemed in full or (ii) an Enforcement Notice has been served.

On the Class X Maturity Date, the Issuer shall apply the amounts standing to the credit of the Class X Principal Account towards redemption of the Class X Notes.

Payments of interest and principal post-enforcement

Issuer Post-Enforcement Priority of Payments

Following the delivery of an Enforcement Notice by the Issuer Security Trustee, any amounts standing to the credit of the Issuer Transaction Account and the Issuer Capital Account, any amounts received by the Issuer from an Obligor under the Senior Loan together with any amounts received or recovered by the Issuer Security Trustee in connection with the foreclosure of the Issuer Security and/or the Loan Security (collectively the "**Issuer Available Income**") will be applied as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Issuer Post-Enforcement Priority of Payments**"):

- (a) *firstly*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Directors under the relevant Management Agreements, (ii) the fees or other remuneration and indemnity payments (if any) due and payable to the Issuer Security Trustee and (iii) any costs, charges, liabilities and expensed incurred by the Issuer Security Trustee;
- (b) *secondly*, in or towards payment, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) the fees and expensed due and payable to the Servicer pursuant to the Servicing Agreement (including any substitute servicer appointed in accordance therewith), (ii) amounts due and payable to the Special Servicer pursuant to the Servicing Agreement (including any substitute special servicer appointed in accordance therewith and including any Special Servicing Fee, Liquidation Fee or Workout Fee and (iii) the fees and expensed due and payable to the Issuer Account Bank pursuant to the Issuer Account Bank Agreement;
- (c) *thirdly*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of (i) the amounts due and payable (but not yet paid prior to the relevant Notes Interest Payment Date) to third parties under obligations incurred in the Issuer's business (other than under the relevant Transaction Documents), (ii) the fees and expenses due and payable to the Paying Agents, the Common Safekeeper and any other agent designated under any of the relevant Transaction Documents, (iii) the amounts due and payable to the Rating Agencies, (iv) the fees and expenses due and payable to any legal advisors, accountants and auditors appointed by the Issuer;
- (d) *fourthly*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility, but excluding any Liquidity Subordinated Amounts due and payable under the Liquidity Facility and payable under item (q) below;
- (e) *fifthly*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of the amounts of interest due or accrued due but unpaid in respect of the Senior Class A Notes and the Class X Notes;
- (f) *sixthly*, in or towards satisfaction of the amounts of principal due or accrued due but unpaid in respect of the Senior Class A Notes;
- (g) *seventhly*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class B Notes;
- (h) *eighty*, in or towards satisfaction of the amounts of principal due or accrued due but unpaid in respect of the Mezzanine Class B Notes;
- (i) *ninthly*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class C Notes;

- (j) *tenthly*, in or towards satisfaction of the amounts of principal due or accrued due but unpaid in respect of the Mezzanine Class C Notes;
- (k) *eleventh*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Junior Class D Notes;
- (l) *twelfth*, in or towards satisfaction of the amounts of principal due or accrued due but unpaid in respect of the Junior Class D Notes;
- (m) *thirteenth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Junior Class E Notes;
- (n) *fourteenth*, in or towards satisfaction of the amounts of principal due or accrued due but unpaid in respect of the Junior Class E Notes; and
- (o) *fifteenth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Subordinated Class F Notes;
- (p) *sixteen*, in or towards satisfaction of the amounts of principal due or accrued due but unpaid in respect of the Subordinated Class F Notes; and
- (q) *seventeenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any Liquidity Subordinated Amounts due and payable under the Liquidity Facility.

In addition, the amounts standing to the credit of the Class X Principal Account shall be applied towards redemption of the Class X Notes

Upon foreclosure of the Issuer Security, the Issuer Security Trustee will only have recourse to the rights of the Issuer in respect of a Senior Loan and the Loan Security and all other assets constituting the Issuer Security. Foreclosure of the Issuer Security shall be the only remedy available for the repayment of the Notes and the payment of accrued interest thereon.

LIQUIDITY FACILITY

On or about the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider to mitigate the risk that the Notes Interest Available Amount will be insufficient to cover certain payments (including any Hedging Loan and Property Protection Loan) due and payable under the Interest Priority of Payments. The Issuer will be entitled on any Notes Interest Payment Date (other than a Notes Interest Payment Date if and to the extent that on such date the Notes are redeemed in full) to make drawings under the Liquidity Facility up to the Liquidity Facility Maximum Amount (as defined below). The Liquidity Facility Agreement is for a term of 364 days. The commitment of the Liquidity Facility Provider is extendable at its option. 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).

For these purposes, "**Liquidity Facility Maximum Amount**" means, on each Notes Calculation Date, an amount equal to 7.0 per cent. of the Principal Amount Outstanding of the Notes.

On each Notes Calculation Date, the Servicer will determine whether the Notes Interest Available Amount will be sufficient to make the payments set out under item (a) up to and including item (j) of the Interest Priority of Payments on the immediately succeeding Notes Interest Payment Date. The Servicer shall also determine, either on the Notes Calculation Date or such other date as may be required under the Facilities Agreement, whether any Hedging Loan or Property Protection Loan is required to be made by the Issuer to the Borrowers. If the Notes Interest Available Amount is insufficient or if the Servicer determines that a Hedging Loan or Property Protection Loan is required to be made, the Servicer will submit a request (on behalf of the Issuer) to make a drawing (a "**Drawing**") 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 Loan required. The proceeds of any Drawing will be credited to the Issuer Transaction Account and will be applied by the Issuer in making payments on the immediately succeeding Notes Interest Payment Date in accordance with the relevant Issuer Pre-Enforcement Priority of Payments or (in respect of any Drawing made for the purposes of financing a Hedging Loan or Property Protection Loan) will be lent by the Issuer to the Borrowers as a Hedging Loan or a Property Protection Loan (either by means of a payment to the Borrower or to the Unpaid Party directly) in accordance with the provisions of the Finance Documents (see section *Key terms of Facilities Agreement and the Senior Loan – Property Protection Loan* below).

If, at any time, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are (i) assigned a credit rating less than F1 by Fitch and/or A-1 by S&P, and/or such rating is withdrawn and (ii) within thirty (30) days of such downgrading or withdrawal the Liquidity Facility Provider is not replaced by the Issuer with a suitable alternative Liquidity Facility Provider or a third party having the required ratings has not guaranteed the obligations of the Liquidity Facility Provider or another solution acceptable to the Rating Agencies is not found, the Issuer will, unless the Rating Agencies have confirmed that the rating of the Notes will not be adversely affected, be required forthwith to draw down the entirety of the undrawn portion of the Liquidity Facility (a "**Liquidity Facility Stand-by Drawing**") and credit such amount to the Issuer Transaction Account with a corresponding credit to a ledger to be known as the "**Liquidity Facility Stand-by Ledger**". Amounts so credited to the Issuer Transaction Account may be utilised by the Issuer in the same manner as if the Liquidity Facility Stand-by Drawing had not been made. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date, unless the Liquidity Facility Provider has been replaced with a suitable alternative liquidity facility provider in accordance with the Liquidity Facility Agreement.

Loan Transfer Agreement

On the Closing Date, the Issuer will enter into a transfer agreement with, *inter alios*, NIBC (in its capacities as Initial Lender under the Facilities Agreement) (the "**Loan Transfer Agreement**").

Pursuant to the Loan Transfer Agreement, the Initial Lender will transfer its rights and obligations in respect of the Senior Loan to the Issuer and the Issuer shall purchase and accept assignment of these rights and obligations. The rights and obligations in respect of the Subordinated Loan will not be transferred to the Issuer but instead will be retained by the Initial Lender (in its capacity as Subordinated Lender) or be sold to and acquired by one or more other Subordinated Lenders.

The consideration payable by the Issuer to the Initial Lender will be an amount which is equal to the outstanding principal amount of the Senior Loan on the Closing Date plus the amount of interest accrued on the Senior Loan since the last Loan Interest Payment Date up to (but excluding) the Closing Date, which will be due immediately following the first succeeding Loan Interest Payment Date.

Representations and warranties

Neither the Issuer nor the Issuer Security 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 Senior Loan. In addition, neither the Issuer nor the Issuer Security Trustee has made or will make any enquiry, search or investigation at any time in relation to compliance by the Initial Lender, the Servicer or any other person with respect to the provisions of the Loan Transfer Agreement, the Servicing Agreement, the Issuer Security Documents or in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the Senior Loan transferred to the Issuer on the Closing Date or the Loan Security.

In relation to all of the foregoing matters concerning the Senior Loan and the Loan Security and the circumstances in which the advances were made to the Borrowers prior to the transfer of the Senior Loan to the Issuer, the Issuer and the Issuer Security Trustee will rely entirely on the representations and warranties to be given by the Initial Lender to the Issuer and the Issuer Security Trustee which are contained in the Loan Transfer Agreement.

The Initial Lender will give representations and warranties (qualified by reference to all general principles of law limiting the same as set out in any applicable law) including (but not limited to) the following:

- (a) the Initial Lender 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 suspension of payments;
- (b) to the best of the knowledge and belief of the Initial Lender, no Loan Event of Default is outstanding and the Initial Lender is not aware of (i) any other default that affects the value of the Whole Loan 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 Whole Loan or the Loan Security;

- (c) the Initial Lender has performed in all respects all of its obligations under or in connection with the Whole Loan and, to the best of the knowledge of the Initial Lender (having taken reasonable care to ensure such is the case), no Obligor has taken or has threatened to take any action against the Initial Lender for any failure on the part of the Initial Lender to perform any such obligations; and
- (d) the Initial Lender is not aware of any litigation or claim calling into question in any way its title to the Senior Loan.

Indemnity or repurchase

If any of the representations and/or warranties made by the Initial Lender in the Loan Transfer Agreement in relation to the Senior 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 Issuer Security 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 Agreement (see below)), the Originator will be obliged to either:

- (a) indemnify the Issuer and the Issuer Security 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
- (b) repurchase the Senior Loan from the Issuer for an aggregate amount equal to the outstanding principal amount of the Senior 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 the obligations of the Issuer ranking in priority to amounts due to Noteholders under the Conditions less an amount equal to the aggregate of any amounts standing to the credit of the Issuer Accounts at that time which are used to discharge Principal Obligations.

The Initial Lender shall have 75 days from the receipt of written notice of the relevant material breach of representation and/or warranty from the Issuer or the Issuer Security 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 75 day period and prior to the expiry of such 75 day period, the Initial Lender has commenced (and is continuing to take), action with respect to the remedy of such breach, the Initial Lender will have an additional 75 day period to complete such cure.

The decision as to which remedy is chosen shall be at the sole discretion of the Initial Lender. The Issuer will have no other remedy in respect of such misrepresentation unless the Initial Lender fails to provide such indemnity or to purchase the Senior Loan in accordance with the Loan Transfer

Agreement. Any repurchase of the Senior Loan will result in a redemption of all of the Notes on the next Notes Interest Payment Date in accordance with Condition 6 (*Redemption*).

Borrower Parallel Debt Transfer Agreement

On the Closing Date NIBC will resign as initial Security Agent and Stichting Security Agent MESDAG (Delta) will be appointed to act as Security Agent and sole creditor of the Borrower Parallel Debt on behalf of the Finance Parties under the Finance Documents. The resignation and appointment aforementioned will be effected by means of the agreement (the "**Borrower Parallel Debt Transfer Agreement**"), pursuant to which the initial Security Agent will transfer and assign all rights and obligations of the initial Security Agent under the Facilities Agreement, including the Borrower Parallel Debt to the newly appointed Security Agent. Consequently, as from the Closing Date, Stichting Security Agent MESDAG (Delta) will become the sole creditor in respect of, and will directly benefit from the undertakings made by the Obligors under the Borrower Parallel Debt, and will become the holder of the security rights created by the Loan Security.

The transfer of the rights and obligations referred to above will be transferred by way of a transfer of contract (*contractsoverneming*).

The consideration payable by the Issuer to the NIBC as Initial Lender will be € 638,350,000 which is equal to the principal amount of the Senior Loan on the Closing Date plus the amount of interest accrued on the Senior Loan since the last Loan Interest Payment Date.

Issuer Security

Parallel debt

The Issuer has irrevocably and unconditionally undertaken to pay to the Issuer Security Trustee, as an independent and separate creditor, an amount equal to the aggregate amount due by the Issuer to the Issuer Security Beneficiaries (other than the Issuer Security Trustee) (the "**Issuer Parallel Debt**") under or in connection with the Transaction Documents to which it is a party. The parallel debt undertaking constitutes a separate and independent obligation of the Issuer and constitutes the Issuer Security Trustee's own separate and independent claim to receive payment of the Issuer Parallel Debt from the Issuer. Upon receipt by the Issuer Security Trustee of any amount in payment of the parallel debt undertaking, the payment obligations of the Issuer to the Issuer Security Beneficiaries shall be reduced by an amount equal to the amount so received and vice versa. To the extent that the Issuer Security Trustee irrevocably receives any amount in payment of the parallel debt undertaking, the Issuer Security Trustee shall distribute such amount among the Issuer Security Beneficiaries in accordance with the relevant Issuer Pre-Enforcement Priority of Payments or, as the case may be, the Issuer Post-Enforcement Priority of Payments.

Charged Assets

Under the Issuer Security Documents, as security for the Issuer Parallel Debt, the Issuer will grant in favour of the Issuer Security Trustee first ranking disclosed pledges over, *inter alia*, the Issuer Accounts, its interest in a Senior Loan (and consequently its rights with respect to the Loan Security) and all of its present and future rights and receivables under the Transaction Documents to which it is a party.

For a detailed description and discussion of the security structure, see *Description of Security* below.

Governing law

The Facilities Agreement and each Finance Documents (including the Borrower Security Documents) and the Telined Mortgage) are governed by Dutch law, except for the Borrower Swap Agreement and the Borrower Contingent Assignment and Assumption Deed, each of which are governed by English law.

KEY TERMS OF THE FACILITIES AGREEMENT AND THE SENIOR LOAN

General

The Issuer's assets will consist primarily of the senior tranche in one whole mortgage loan secured by retail, office, industrial and mixed use properties located in the Netherlands (the "**Senior Loan**").

At or prior to the Closing Date, the Initial Lender will transfer and assign its rights and obligations under the Senior Loan to the Issuer pursuant to the Loan Transfer Agreement. Concurrently with the relevant transfer of the Senior Loan, the Borrower Parallel Debt Transfer Agreement will be executed pursuant to which NIBC in its capacity as initial security agent, will transfer and assign all its rights and obligations under the Facilities Agreement, including the Borrower Parallel Debt and all security interest created in favour of the Security Agent for the benefit of the Finance Parties, to the newly appointed Security Agent.

The Issuer will pledge its claims against the Security Agent under the Facilities Agreement, which includes its claims under and in connection with the Borrower Parallel Debt secured by the Loan Security, in favour of the Issuer Security Trustee for the benefit of the Noteholders and the other Issuer Security Beneficiaries, pursuant to the Loan Receivables Pledge Agreement.

Pursuant to the Loan Transfer Agreement, the Initial Lender will make certain representations and warranties to the Issuer. The Initial Lender will not have any obligations with respect to the Notes other than, pursuant to the representations, warranties and covenants made by it pursuant to the Loan Transfer Agreement.

Certain Loan Definitions

For purposes of the descriptions of the Loan herein (and, to the extent not defined elsewhere in this Offering Circular, for the purposes of the other sections of the Offering Circular), the defined terms have the meanings described below.

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

"Allocated Loan Amount" means in respect of a Property (or the shares of a Borrower) an amount referred to opposite that Property under the heading "*Allocated Loan Amount*" in Schedule 2 (Properties).

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Break Costs" means in respect of any prepayment of the Loan, amounts representing the shortfall in the full amount of interest that would otherwise have been payable on the Loan at the end of the applicable Loan Interest Period, to the extent that such shortfall will not be recovered by way of

investment of such prepayment amount in a bank account meeting certain basic criteria set out in the Facilities Agreement.

"Breevast Vacancy Rate" means one (1) minus the projected aggregate gross rental income of the Breevast Properties divided by the rental value (*huurwaarde*) of the Breevast Properties (as provided by the Parent) for the next 12 Months (on a rolling basis).

"Cut-Off Date Secured Subordinate Debt Principal Balance" means, with respect to the Whole Loan, the principal balance of the Subordinated Loan as of the Cut-Off Date.

"Cut-Off Date Securitised Principal Balance" means the principal balance as of the Cut-Off Date of the senior tranche of a Whole Loan.

"Cut-Off Date Whole Loan Principal Balance" means with respect to the Whole Loan, the outstanding principal balance of such Whole Loan as of the Cut-Off Date.

"Default" means a Loan Event of Default or any event or circumstance specified as constituting a default under the Facilities Agreement which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be a Loan Event of Default

"Disposal" means a sale, lease, licence, transfer, loan or other disposal by a person of any Property or any share in the capital of a Borrower.

"Disposal Premium" means in respect of a Property (or the shares of a Borrower) an amount equal to 15% of the Allocated Loan Amount for that Property.

"Disposal Proceeds" means the consideration received by an Obligor for any Disposal made by that Obligor and after deducting (a) any reasonable expenses which are incurred by that Borrower with respect to that Disposal, (b) any Hedging Termination Payment payable by the Obligors; and (c) any tax incurred and required to be paid by that Borrower in connection with that Disposal (as reasonably determined by that Borrower, on the basis of existing rates and taking account of any available credit, deduction or allowance).

"Duty of Care Agreement" means in respect of any Property, any agreement between the Property Manager and a Borrower relating the management functions of the Property Manager in respect of that Property in form and substance satisfactory to the Facility Agent).

"Finance Costs" means the aggregate amount of interest and costs in respect of a Facility and hedging costs paid or payable to the Finance Parties under the Facilities Agreement and to a Borrower Swap Counterparty under any Borrower Swap Agreement.

"Hedging Arrangement" means any hedging arrangement entered into by the Borrowers with the Borrower Swap Counterparty (or any of its successors or assigns) in connection with interest payable under the Facilities Agreement.

"Hedging Termination Payment" means any amount payable or receivable by a Borrower under a Hedging Arrangement as a result of the termination or close out (whether partial or total) of that Hedging Arrangement (including any settlement amount).

"Initial Valuation" means in respect of the Portfolio an amount equal to € 869,000,000 as per 1 December 2006.

"ICR Default Covenant" means if the Interest Cover Ratio is lower than 110 per cent.

"Interest Cover Ratio" means, at any time, the Net Operating Income as a percentage of the Finance Costs.

"Lease Document" means (a) an Agreement for Lease, (b) an Occupational Lease; or (c) any other document designated as such by both the Facility Agent and the Parent.

"Lender" means immediately prior to the Closing Date the Initial Lender and following the Closing Date, the Issuer in its capacity as Senior Lender or a Subordinated Lender.

"Loan Closing Date" means 28 December 2006.

"Loan Event of Default" means, in respect of any Loan, an event of default (howsoever described) under the Facilities Agreement.

"LTV" means, at any time, (a) the aggregate principal amount outstanding under the Facility as a percentage of (b) an amount equal to the total value of the Properties (determined in accordance with the most recent valuation of a Property at that time) and increased with the amount standing to the credit of the Maintenance Reserve Account, the Disposal Proceeds Account and the Insurance Proceeds Account.

"Management Fee" means any fee calculated payable to the Property Manager under a Property Management Agreement.

"Minimum Disposal Proceeds" means in respect of a Property (or the shares of a Borrower who owns a Property) the sum of (a) the relevant Allocated Loan Amount and (b) the relevant Disposal Premium.

"Net Operating Income" means the Total Rental Income minus the Operating Costs.

"Obligor" means the Parent, a Borrower and the Guarantor.

"Occupational Lease" means any occupational lease (*recht van huur*), sub occupational lease (*recht van onderhuur*) or other right of use (*gebruik*) or occupation (*bewoning*) to which any Property or any part of any Property is or may be subject from time to time.

"Operating Costs" means all costs related to operating, maintaining and letting of the Properties, including but not limited to property management costs, ongoing maintenance and refurbishment costs, structural maintenance reservations, insurance costs, property and related taxes, administration costs and marketing and re-letting costs and including the Management Fee up to an amount equal to 3 per cent. of the Total Rental Income, during the last 12 Months (on a rolling basis).

"Original Lenders" means, NIBC and each other original lender defined as such under the Facilities Agreement.

"Prepayment Compensation Amount" means:

- (a) with respect to the Facility A, the prepayment amount multiplied by the rate per annum set forth in the grid below opposite the applicable period:

Period	Rate (per cent.)
After the date of the Facilities Agreement up to and including the first anniversary of the Facilities Agreement	1.5
After the first anniversary up to and including the second anniversary of the Facilities Agreement	1.25
After the second anniversary up to and including the third anniversary of the Facilities Agreement	1.00
After the third anniversary up to and including the fourth anniversary of the Facilities Agreement	0.75
After the fourth anniversary up to and including the fifth anniversary of the Facilities Agreement	0.50
After the fifth anniversary up to and including the sixth anniversary of the Facilities Agreement	0.25
After the sixth anniversary up to and including the Loan Step-Up Date	0.15
After the Loan Step-Up Date	0

and

- (b) with respect to the Facility B: zero.

"Property Manager" means Breevast B.V. or any other property manager appointed by a Borrower in respect of a Property with the approval of the Facility Agent.

"Total Rental Income" means the lower of:

- (a) the aggregate rental income, pursuant to the Occupational Leases, received by the Obligors (taken as a whole) during the last 12 Months (on a rolling basis); and
- (b) the aggregate rental income, pursuant to the Occupational Leases, projected to be received by the Obligors (taken as a whole) during the coming 12 Months (on a rolling basis), whereby the projection of the aggregate rental income under paragraph (b) is based on the aggregate rental income received in the last Month multiplied by 12.

"Subordination Agreement" means the subordination agreement dated on or about the Loan Closing Date between, *inter alia*, the Security Agent on behalf of the Finance Parties, the Obligors, Breevast Participaties B.V. and B.V. De Veegtes IV.

"Subordinated Lender" means any holder of the Subordinated Loan.

"Subordinated Loan" means the junior tranche of the Whole Loan, with a Cut-Off Date Secured Subordinate Debt Principal Balance of € 40,811,960.

"Whole Loan" means the whole loan originated by the Original Lenders pursuant to Facilities Agreement with a Cut-Off Date Whole Loan Principal Balance of € 679,161,960; such whole loan being tranching into two separate tranches, being the Senior Loan, having a Cut-Off Date Securitised Principal Balance of € 638,350,000 and the Subordinated Loan, having a Cut-Off Date Secured Subordinate Debt Principal Balance of € 40,811,960.

Certain characteristics of the Facilities Agreement

Facility A / Facility B

Under the Facilities Agreement, the outstanding principal balance of the commitments made available by the Lenders will as of the Closing Date consist of:

- (a) to the Facility A Borrowers a euro term loan facility in an aggregate amount of € 546,500,000 (the "**Facility A**"); and
- (b) to the Facility B Borrower a euro term loan facility in an aggregate amount of € 140,000,000 (the "**Facility B**").

The Facility A and the Facility B hereinafter also individually referred to as a "**Facility**" and collectively as the "**Facilities**" and the loan made available under the Facility A or the Facility B hereinafter also individually referred to as a "**Facility Loan**").

Use of Proceeds

Each Facility A Borrower has been obliged to apply all amounts borrowed by it under the Facility A towards, *inter alia*, the re-financing of the Breevast Portfolio. The Facility B Borrower has been

obliged to apply all amounts borrower by it under the Facility B towards re-financing of De Veegtes Portfolio.

Finance Documents

The principal documentation entered into by the Obligors in relation to each Facility comprises of each of the Borrower Security Documents and, *inter alia*,:

- (a) the Facilities Agreement;
- (b) the Subordination Agreement;
- (c) the interest hedging arrangement to be entered into on or about the Loan Closing Date and as amended and restated on or prior to the Closing Date, by and between, *inter alia*, the relevant Borrowers and the Borrower Swap Counterparty in connection with interest payable under the Finance Documents (the "**Borrower Swap Agreement**");
- (d) the duty of care agreement in respect of any Property dated on or about the Loan Closing Date any agreement between the Property Manager and a Borrower relating to the management functions of the Property Manager in respect of that Property (each a "**Duty of Care Agreement**");
- (e) the borrower accounts agreement entered into on or about the Loan Closing Date by and between the Borrowers, the Account Agent and the Borrower Account Bank in respect of the Borrower Accounts (the "**Borrower Accounts Agreement**"); and
- (f) each other document designated by the Facility Agent to be a finance documents in respect of the Facilities Agreement,

each such document hereinafter collectively referred to as the "**Finance Documents**" and individually a "**Finance Document**".

Any security interest created by the relevant Obligor pursuant to the Borrower Security (the "**Loan Security**") has been created as a first priority (*eerste in rang*) on the Loan Closing Date and the terms and the conditions of each Borrower Security shall be construed accordingly.

The Finance Documents are governed by Dutch law, except for the Borrower Swap Agreement and the Borrower Contingent Assignment and Assumption Deed, each of which are governed by English law.

Interest payments

Interest in respect of each Facility will be paid quarterly on the 25th day of April, July, October and January (with Business Day correction) in each year in respect of successive Loan Interest Periods

The interest rate payable in respect of each Senior Facility is equal to the aggregate of the three months Euribor and a margin per annum, which margin will increase as per the Loan Step-Up Date.

As per the Closing Date the aggregate of the amount of interest payable on the Senior Loan, exceeds the aggregate amount of interest payable in respect of the Notes (excluding the Class X Notes) and all other anticipated costs and expenses of the Issuer.

Default interest

If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to the provisions of the Facilities Agreement, is 2 (two) per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Loan Interest Periods, each of a duration selected by the Lender (acting reasonably). Any such interest accruing shall be immediately payable by such Obligor on demand by the Facility Agent.

Repayment and prepayment

Repayment of a Facility

Unless previously repaid, each Facility will be repayable in full on the Loan Maturity Date.

Mandatory Prepayment

Subject to the terms and conditions of the Facilities Agreement, each Borrower is obliged to prepay to the Lenders each Facility together with accrued interest, and all other amounts accrued under the Finance Documents on the last day of the Loan Interest Period. Each of these circumstances are set out below.

Mandatory Repayment – Change of Control/ownership

If any person or group of persons (whether or not, acting in concert) gains (directly or indirectly) control of:

- (a) in respect of an Obligor (save for the Facility B Borrower and Hypermarkten Holland B.V.), Z.B.G. Holdings N.V.; and/or
- (b) in respect of the Facility B Borrower and Hypermarkten Holland B.V. and until the relevant Restructuring Date, Z.B.G. Capital N.V. and/or Revoco B.V.,

the Facility Agent may, subject to notice requirements, require the prepayment of each Facility Loan, unless such change of control relates to a Permitted Restructuring.

For this purpose "**control**" means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to appoint or remove directors or give instructions to directors with respect to management policies of an entity.

Permitted Restructuring

Pursuant to the Facilities Agreement,

- (a) as soon as possible, but in any event before 31 December 2007:
 - (i) the cumulative preference shares in the share capital of Kleinhandelsgebouw B.V. and Breevast Vastgoed Exploitatie XXXII B.V. (the "**Cumprefs**") shall be purchased by and transferred to the Parent;
 - (ii) the ordinary shares in the share capital of Kleinhandelsgebouw B.V. and Breevast Vastgoed Exploitatie XXXII B.V. (the "**Ordinary Shares**") shall be contributed to and/or transferred to the Accounts Agent;
 - (iii) the Parent and the Accounts Agent shall grant a first priority right of pledge of shares over the Cumprefs and the Ordinary Shares in favour of the Security Agent; and
 - (iv) the shares in the share capital of B.V. De Veegtes I shall be transferred to the Parent or the Accounts Agent,
- (b) Telined Beheer B.V. may at any time transfer the leasehold rights relating to the Property listed under item 63 in the overview of the description of each Property in the section *Description of the Properties* to Breevast Properties I B.V., being the beneficial owner of the relevant Property as at the date of this Offering Circular,

(each date on which a restructuring as set out under (a) and (b) has occurred is a "**Restructuring Date**" and each such restructuring a "**Permitted Restructuring**").

Mandatory Prepayment – Insurance

Subject to the provisions of the Facilities Agreement including those relating to the Insurance Proceeds Account, a Borrower shall apply any Insurance Proceeds which exceed € 1,000,000 towards prepayment of a Facility Loan.

For this purpose "**Insurance Proceeds**" means any amount received or recovered by an Obligor (or the Security Agent on its behalf) under any insurance policy or contract in respect of the Properties, less all Taxes (as defined in the Facilities Agreement) and reasonable costs and expenses incurred by the relevant Obligor in connection with the receipt or recovery.

Mandatory Prepayment – Disposal

Subject to the terms of the Facilities Agreement including those relating to the Disposal Proceeds Account and the right to apply any Disposal Proceeds towards the acquisition of a Substitute Property or a Substitute Property Company, the Borrower shall apply an amount equal to the Minimum Disposal Proceeds towards prepayment of a Facility Loan (see *Disposal of Properties* below for more details).

Mandatory Prepayment – Excess cash after Loan Step-Up Date

After the Loan Step-Up Date, all moneys standing to the credit of the General Account shall be applied to prepay the Facilities on an Interest Payment Date.

Mandatory prepayment – Hedge Arrangement

Each Borrower shall apply any amounts received pursuant to an unwinding or termination of a Hedging Arrangements pursuant to the Borrower Swap Agreement permitted under the Facilities Agreement towards prepayment of a Facility.

Mandatory prepayment – Breach financial covenants

Upon the occurrence of a breach of an ICR Cash Sweep Covenant or LTV Cash Sweep Covenant, until such breach is remedied all moneys standing to the credit of the General Account shall be applied to prepay the Facilities on an Interest Payment Date, provided that no mandatory prepayment shall occur, if an ICR Cash Sweep Covenant or LTV Cash Sweep Covenant has been remedied before the Interest Payment Date immediately following the occurrence of such breach.

Voluntary Prepayment

In addition, subject to the terms of the Facilities Agreement a Borrower may prepay the whole or any part of a Facility Loan (but if in part, being an amount that reduces the amount of the Facility by a minimum amount of € 1,000,000 (or if less the amount of the Facility outstanding)).

Moreover, a repayment of a Facility is permitted if it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations under a Finance Document or to fund or maintain a Facility.

Prepayment fees and costs

Any prepayment under the Facilities Agreement shall be made together with accrued interest on the amount prepaid without premium or penalty, except that:

- (a) unless a prepayment is made for *Illegality or Right of prepayment and cancellation in relation to the Lender* (see above), or a Loan Event of Default (including a breach of a ICR Default Covenant), any mandatory or voluntary prepayment in respect of the Facility A shall be increased with the Prepayment Compensation Amount; and
- (b) any Unpaid Sum will be increased by any Break Costs (if any).

Application of repayments and prepayments

Any repayment or prepayment made under the Facilities Agreement shall be applied in accordance with the Borrower Priority of Payments (see *Loan Service Account*).

Guarantee and indemnity

The Facilities Agreement provides for a guarantee and indemnification clause, pursuant to which, *inter alia*, the Guarantor irrevocably and unconditionally, jointly and severally:

- (a) guarantees to each Finance Party punctual performance (when the corresponding obligation is due and payable) by each Obligor of all that Obligor's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever an Obligor does not pay any amount when due and payable under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

Joint and Several Liability

Pursuant to the Facilities Agreement, each Borrower as bind itself not as surety (*borg*), but as a joint and several debtor (*hoofdelijk schuldenaar*) with the other Borrowers towards each Finance Party for any and all obligations of any of the Borrowers in respect of any and all obligations under the Facilities Agreement and/or any other Finance Document and agrees to be bound to and undertakes to fulfil all obligations of each of them as its own obligations.

Tax indemnity by the Parent to the Borrowers

Pursuant to the Facilities Agreement, the Parent shall promptly indemnify each Obligor (save for the Parent) against any cost or loss or liability incurred by any of them as a result of:

- (a) the fact that the Borrowers and the Guarantor are a member of a fiscal unity (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning any cost or loss or liability); or
- (b) transfer tax in relation to a transfer and/or re-organisation of the Obligors and/or the Properties (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning any cost or loss or liability).

Contingent liability indemnity by the Parent

Moreover, pursuant to the Facilities Agreement, the Parent shall promptly indemnify each Obligor (save for the Parent) against any cost or loss or liability incurred under any contingent liability of an Obligor which becomes due and payable (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning any cost or loss or liability).

Representations and warranties

The Facilities Agreement contains various representations and warranties given by the relevant Obligors to the Finance Parties. These representations and warranties were given on Loan Closing Date and are, in general, deemed to have been repeated on a drawdown date by a Borrower and on each Loan Interest Payment Date (such repeated representation the "**Repeated Representations**"), in each case by reference to the facts and circumstances then prevailing.

The representations and warranties contained in the Facilities Agreement generally include statements in respect of each Obligor to the following effect (though certain representations and warranties are qualified with respect to knowledge of the relevant Obligor and by materiality thresholds and whereby it is noted that certain exceptions (in respect of financial representations only) apply in respect of the Parent):

- (a) that it is a corporation duly incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) or established as a limited partnership (*commanditaire vennootschap*), as the case may be, and validly existing under Dutch law;
- (b) it has the power to own its assets and carry on its business as it is being conducted and that it has taken all necessary action to authorise the entry into, performance and delivery of the relevant documentation;
- (c) that no default is continuing or might reasonably be expected to result from the entry into the relevant documentation and that there is no litigation nor are there other proceedings current, pending or threatened which if adversely determined might have a material adverse effect on the performance of its obligations in respect of the relevant documentation;
- (d) that, except as disclosed by the Parent to the Finance Parties all information provided to the Lenders in connection with the Facilities Agreement and related finance documents is true and accurate in all material respects as at its date or, if appropriate, as at the date which it is stated to be given and that each Borrower has not knowingly omitted to supply any information which, if disclosed, would reasonably be expected to make any information provided to the Lenders untrue or misleading in any material respect;
- (e) that it is the sole legal owner of the respective assets over which it purports to grant the Loan Security and that as at the Loan Closing Date, the Loan Security constitutes or will constitute a first priority security interest of the type referred to in the relevant Security Document and not subject to any prior ranking or *pari passu* ranking security; and
- (f) that as at the Loan Closing Date no Default nor Loan Event of Default is outstanding.

Loan Events of Default

The Facilities Agreement contains various events of default (each a "**Loan Event of Default**" and together the "**Loan Events of Default**") entitling the Facility Agent (subject in certain cases, to customary grace periods and materiality thresholds) to accelerate the Loans and/or to instruct the

Security Agent to foreclose the Loan Security. In relation to non-payment and breaches of other obligations, the Facilities Agreement includes customary grace periods, but in no instance will these grace periods be for periods longer than 15 Business Days. The Loan Events of Default generally include the following:

- (a) the failure to pay on the due date any amount due under the relevant Finance Documents;
- (a) breach of certain other obligations under the relevant Finance Documents;
- (b) any representation, warranty or statement made or repeated in connection with any relevant Finance Documents is incorrect when made or deemed to be made;
- (c) a Borrower is deemed to be insolvent or unable to pay its debts as they fall due, or, other insolvency related acts or events occur in respect of that Borrower;
- (d) any expropriation, attachment, sequestration, distress or execution or any analogous event affects any of the assets subject to security created by the Borrower Security Documents and is not discharged within the time period stipulated in the Facilities Agreement;
- (e) a Borrower, as applicable, ceases or threatens to cease, to carry on all or a substantial part of its business; and
- (f) the Obligors (taken as a whole) breach the ICR Default Covenant.

Undertakings

Each Obligor also gives various undertakings in the Facilities Agreement applicable to that Obligor (though certain representations and warranties are qualified with respect to knowledge of the Borrower and by materiality thresholds and whereby it is noted that certain exceptions (in respect of financial representations only apply in respect of the Parent). The undertakings include the following:

- (a) supply to the Facility Agent annual audited (consolidated, if appropriate) financial statements for each financial year;
- (b) promptly, inform the Facility Agent of the occurrence of any Loan Event of Default under the Facilities Agreement or any event or circumstance which would be the event of default and the steps, if any, being taken to remedy it;
- (c) not to create or permit to subsist any security over any of its assets, other than any security permitted by the Facilities Agreement or any security disclosed to the Security Agent prior to the Loan Closing Date or arising by operation of law and the Loan Security;
- (d) save for the Parent, not to sell, transfer, grant or lease or otherwise dispose of all or any part of its assets other than as permitted by the Facilities Agreement, any disposal of a fixture or fitting comprising part of a Property that is ancillary to the operation of that property, provided

that such asset is being replaced by another asset of similar or better quality or any disposal permitted under a Security Document; and

- (e) insure the Property or Properties against the risk of damage or destruction, third party liabilities and such other risks as a prudent owner of similar properties would insure against, including insurance against loss of rent for a period of not less than one (1) year.

Part of the undertakings of each of the Obligors relates to financial undertakings. Pursuant to these financial covenants, each Obligor has undertaken to ensure that the Obligors (taken as a whole) shall:

- (i) ensure that the Interest Cover Ratio at any time is higher than 125 per cent. (the "**ICR Cash Sweep Covenant**");
- (ii) ensure that at any time the LTV is equal to or lower than 85 per cent. the "**LTV Cash Sweep Covenant**");

Testing

The ICR Cash Sweep Covenant, LTV Cash Sweep Covenant and the ICR Default Covenant shall be calculated in accordance with GAAP and be tested on each Loan Interest Payment Date by reference to each of the Borrower's financial statements and the compliance certificates which need to be delivered pursuant to information undertakings in accordance with the terms and conditions of the Facilities Agreement.

Information Undertakings - Valuations

Pursuant to the information undertakings under the Facilities Agreement, each Obligor shall provide to the Facility Agent before 31 December of each year a valuation addressed to the Finance Parties whereby:

- (a) 80 per cent. of the Properties are valued by the Property Manager internally on a rotating basis; and
- (b) 20 per cent. of the Properties are valued by a valuer (which may be the Valuer or any other reputable valuer as agreed in advance by the Facility Agent and the Parent) on a rotating basis,

so that each Property shall be valued by a valuer at least once every five (5) years.

In addition, each Obligor shall provide to the Facility Agent before the substitution of any Substitute Property or Substitute Property Company a valuation prepared by the Valuer addressed to the Finance Parties. The Initial Valuation, as updated by any subsequent valuation made available pursuant to the above terms of the Facilities Agreement, the "**Available Property Valuations**").

Disposal, Substitution and Alterations

Conditions to disposal of Property

A Borrower may dispose of a Property (a "**Disposal Property**") and an Obligor may dispose of the shares (in whole but not in part) in a Borrower (the "**Disposal Property Company**"), provided that the Parent certifies to the Facility Agent no later than ten (10) Business Days before the proposed disposal date that:

- (a) the full amount of the consideration payable in respect of such Disposal will be paid in cash immediately upon completion of such Disposal;
- (b) the Disposal Proceeds to be received by such Obligor in respect of such Disposal will not be less than the sum of: (i) the Minimum Disposal Proceeds and (ii) the Prepayment Compensation Amount; and
- (c) no Default is outstanding or will occur as a result of such Disposal.

The Facility Agent shall notify the Parent in writing that in its reasonable opinion the relevant conditions will be satisfied on the proposed disposal date no later than five (5) Business Days before the proposed disposal date. If the Facility Agent has delivered such notice to the Parent, the Security Agent will release all Security granted in respect of the Disposal Property or Disposal Property Company, as the case may be, and all related Lease Documents at the relevant time on the relevant disposal date.

The Obligor shall instruct the relevant notary to deposit the Disposal Proceeds of the relevant Disposal into the Disposal Proceeds Account on the date of such Disposal.

Application of Disposal Proceeds

The amount of Disposal Proceeds deposited in the Disposal Proceeds Account will be applied in accordance with the provisions described in *Borrower Accounts – Disposal Proceeds Account* above.

Provided that no Default is outstanding, any amount which exceeds the Minimum Disposal Proceeds may be credited to the General Account and will be applied in accordance with the provisions described in *Borrower Accounts – General Account* above.

Substitution

Within twelve (12) months after a Disposal (i) in case of a Disposal by a Borrower of a Breevast Property, such Borrower may acquire any other immovable property (a "**Substitute Property**") or, (ii) in case of a Disposal by the Accounts Agent of the shares in the capital of a Facility A Borrower, the Accounts Agent may acquire shares (in whole but not in part) in any other company incorporated and existing under Dutch law that owns immovable property (a "**Substitute Property Company**"), and such Obligor, as the case may be, may apply the Disposal Proceeds received in respect of the relevant Disposal and deposited into the Disposal Proceeds Account towards such acquisition, provided that the Facility Agent has given its consent and the envisaged acquisition of the Substitute

Property or Substitute Property Company shall not adversely affect the overall quality of the portfolio of the Properties, based on amongst other criteria the following criteria being met:

- (a) the Substitute Property or, as the case may be, the immovable property owned by the Substitute Property Company (i) qualifies as a retail, residential, office or industrial property, (ii) is a freehold or long leasehold (*erfpacht*) with a remaining term in excess of thirty (30) years, and (iii) is located in the Netherlands;
- (b) the LTV will not increase a result of the proposed substitution;
- (c) as a result of the acquisition the aggregate sum of the market value (as indicated in the most recent Available Property Valuation) of the Properties forming part of the Portfolio which qualify as offices will not be more than 60 per cent. of the total Market Value of the Portfolio, unless the Rating Agencies have confirmed to the Facility Agent that the contemplated acquisition will not result in an Adverse Rating Event;
- (d) as a result of the acquisition the aggregate sum of the market value (as indicated in the most recent Available Property Valuation) of the Properties forming part of the Portfolio which qualify as retail properties will not be more than 60 per cent. of the total market value (as indicated in the most recent Available Property Valuation) of the Portfolio, unless the Rating Agencies have confirmed to the Facility Agent that the contemplated acquisition will not result in an Adverse Rating Event;
- (e) as a result of the acquisition the aggregate sum of the market value (as indicated in the most recent Available Property Valuation) of the Properties forming part of the Portfolio which qualify as industrial properties will not be more than 30 per cent. of the total market value (as indicated in the most recent Available Property Valuation) of the Portfolio, unless the Rating Agencies have confirmed to the Facility Agent that the contemplated acquisition will not result in an Adverse Rating Event;
- (f) as a result of the acquisition the aggregate sum of the market value (as indicated in the most recent Available Property Valuation) of the Properties forming part of the Portfolio which qualify as residential properties will not be more than 20 per cent. of the total market value (as indicated in the most recent Available Property Valuation) of the Portfolio, unless the Rating Agencies have confirmed to the Facility Agent that the contemplated acquisition will not result in an Adverse Rating Event;
- (g) no Default is outstanding or will occur as a result of the proposed substitution;
- (h) no Default is outstanding or will occur as a result of the proposed acquisition or if a Default is outstanding such beach will be remedied as a result of the proposed substitution;
- (i) the Interest Cover Ratio will not be lower than 135 per cent.;

- (j) the value (based on: *verhuurde staat* and *kosten koper*) of all Substitute Properties owned by all Substitute Property Companies (including the Substitute Property or the immovable property owned by the Substitute Property Company subject to the proposed acquisition) does not exceed 25 per cent. of the Initial Properties Value of the Breevast Portfolio
- (k) the Breevast Vacancy rate is not higher than 15 per cent.;
- (l) as a result of such acquisition the weighted average unexpired lease term will not be less than five (5) years or in case of the weighted average unexpired lease term being less than (5) years, the weighted average unexpired lease term will not decrease as a result of such an acquisition, unless the Rating Agencies have confirmed to the Facility Agent that the contemplated acquisition will not result in an Adverse Rating Event;
- (m) as a result of such acquisition the rental income from a single tenant will not be higher than 20 per cent. of Total Rental Income, unless the Rating Agencies have confirmed to the Facility Agent that the contemplated acquisition will not result in an Adverse Rating Event;
- (n) as a result of such acquisition the market value (as indicated in the most recent Available Property Valuation) of any single Property will not be more than 15 per cent. of the market value (as indicated in the most recent Available Property Valuation) of the Portfolio, unless the Rating Agencies have confirmed to the Facility Agent that the contemplated acquisition will not result in an Adverse Rating Event;
- (o) in case of a Substitute Property Company, that Substitute Property Company has become a Borrower pursuant to the provisions of the Facilities Agreement;
- (p) the Substitute Property Company shall grant the Loan Security and shall become a party to the Finance Documents and the Borrower shall grant the Loan Security over all issued and outstanding shares in the capital of the Substitute Property Company; and
- (q) the Substitute Property shall be made subject to the Loan Security.

For the purpose of the foregoing, the Facility Agent will determine, after having received from an Obligor a request thereto, whether the envisaged acquisition meets the criteria set out above. The Facility Agent is allowed to request advice from independent experts (including a reputed valuer) at the costs of the Obligors in connection with such determination.

Improvements, alterations and redevelopments

A Borrower may, subject to the respective conditions set out below, alter, improve or, redevelop a Property provided that the Facility Agent has confirmed that:

- (a) the aggregate Initial Properties Value of the Properties which are simultaneously subject to improvements, alterations or redevelopments does not exceed 15 per cent. of the Initial Properties Value for all Properties; and
- (b) there are no more than five (5) Properties which are subject to simultaneous improvements, alterations or redevelopments and the aggregate contractually agreed rental income in respect of such Properties does not exceed 10 per cent. of the aggregate contractually agreed rental income in respect of all Properties except that in the event that such Property is not let at such time its value will not be taken into account for this purpose.

For the purpose of the above, the Facility Agent will determine whether the proposed alterations, improvements or redevelopments could lead to a reduction of the market value (as indicated in the most recent Available Property Valuation) of the relevant Property, in which case the Facility Agent will consult with a third party advisor. If the third party advisor advises the Facility Agent that the proposed alterations, improvements or redevelopments in his opinion will lead to a reduction of the market value (as indicated in the most recent Available Property Valuation) of the relevant Property, the Facility Agent will not give its consent to the proposed alterations, improvements or redevelopments.

Moreover, for the purpose of determining whether a Property may be altered, redeveloped or improved:

- (i) any reference to the term alteration and/or improvement, means any alterations or improvement to a Property, whereby the Expected Total Cost of such alterations or improvement is less than 10 percent. of the market value (as indicated in the most recent Available Property Valuation) of the relevant Property as shown in the then current Valuation;
- (ii) any reference to the term redevelopment, means any alterations, improvement, redevelopment, whereby the Expected Total Cost of such alterations, improvement or redevelopment is more than 10 percent. of the market value (as indicated in the most recent Available Property Valuation) of the relevant Property as shown in the most recent Available Property Valuation.
- (iii) “**Expected Total Costs**” means the aggregate expected costs and expenses calculated plus 10% of such costs.

Subject to the provisions of the Facilities Agreement, a Borrower may alter and improve a Property, provided in addition to the conditions set out under (a) and (b) above, *inter alia*, that:

- (a) an amount equal to the total costs of the improvement or alteration so evidenced will be held by a Borrower on a Borrower Account designated by the Facility Agent before commencement and during the period of construction until such improvement or alteration is finalised except for amounts to be paid to such contractors during such period;

- (b) the proposed improvement or alteration will not result in a decrease of the rental income to be received in respect of the relevant Property;
- (c) no Default is outstanding or will occur as a result of the proposed improvement or alteration; and
- (d) there is no breach of the ICR Cash Sweep Covenant, the LTV Cash Sweep Covenant, the ICR Default Covenant or any other financial covenant outstanding under the Facilities Agreement.

Subject to the provisions of the Facilities Agreement, a Borrower may redevelop a Property, provided that, in addition to the conditions set out under (a) and (b) above, *inter alia*, that:

- (a) the Borrower has obtained all Authorisations necessary in connection with the redevelopment;
- (b) an amount equal to the Expected Total Costs of the redevelopment is standing to the credit of the General Account and shall remain on a Borrower Account designated by the Facility Agent before commencement and during the period of construction until such redevelopment is finalised except for amounts to be paid to such contractors during such period;
- (c) the redevelopment will be carried out by reputed contractors;
- (d) the future cash flows under the Occupational Lease of that Property will not be reduced as a result of the redevelopment;
- (e) the Loan Security in respect of the Property shall not be adversely affected as a result of the redevelopment;
- (f) the proposed redevelopment is in accordance with the generally accepted principles of good estate management; and
- (i) there is no breach of the ICR Cash Sweep Covenant, the LTV Cash Sweep Covenant, the ICR Default Covenant or any other financial covenant outstanding under the Facilities Agreement.

Insurance

Scope of Insurances

Each Obligor must ensure that at all times:

- (a) each Property (including fixtures and improvements) is insured on a full reinstatement basis, such insurance to include cover against all normally insurable risks of loss or damage, cover for site clearance, professional fees and value added tax, together with adequate allowance for inflation, loss of rent insurance (in respect of a period of not less than one (1) year or, if longer, the minimum period required under the Lease Documents) including provision for increases in rent during the period of insurance;

- (b) appropriate property owners public liability insurance in respect of obligations or exposure of the relevant Obligor; and
- (c) such other insurances as a prudent company in the same business as the relevant Obligor would effect.

all such insurances (the "**Insurance Policies**") to be in an amount and in form, and with a reputable insurance company or underwriters.

Form of Insurances

All insurances must be:

- (a) in an amount and in form which is acceptable to the Security Agent or which is otherwise (in the opinion of the Facility Agent, acting reasonably) standard or reasonable in the context of the liabilities insured and the local market norms; and
- (b) with a reputable insurance company or underwriters which, as at the date on which such insurance is entered into or on any renewal of the relevant policy has a long term unsecured debt instrument rating (or, in the case of a group of insurance companies, weighted average rating) of A (or better) by Fitch and A (or better) by S&P.

Miscellaneous Provisions

Each Obligor must ensure that the Security Agent is named on all Insurance Policies and is named as first loss payee (for any amounts which exceed € 1,000,000).

If any Obligor fails to comply with any of the provisions of the Facilities Agreement relating to insurance, the Security Agent, at the expense of that Obligor, may effect any insurances concerned and generally do such things and take such other action as the Security Agent may reasonably consider necessary or desirable to prevent or remedy any breach of the provisions of the Facilities Agreement relating to insurance.

In addition, each Obligor shall use reasonable efforts to procure that:

- (a) each insurance policy contains terms providing that it will not, so far as any Finance Party is concerned, be invalidated for failure to pay any premium due without the insurer first giving to the Security Agent not less than fourteen (14) day's notice in writing and an opportunity to rectify the non-payment within the notice period;
- (b) the Security Agent receives copies of the Insurance Policies and any information in connection with the insurances and claims under them which the Security Agent may reasonably require; and

- (c) the Security Agent will be notified upon (i) any proposed terms of any future renewal of any insurance policy, (ii) any variation, termination, avoidance or cancellation of any insurance policy made or, to its knowledge, threatened or pending, (iii) any claim, and any actual or threatened refusal of any claim, under any insurance policy; and (iv) any event or circumstance which has led or may lead to a breach by an Obligor of any term of its obligations in respect of the Insurance Policies pursuant to the Facilities Agreement.

Application of insurance proceeds

If either:

- (a) the terms of any Occupational Lease or Insurance Policy (or a requirement of an applicable law or regulation) require the proceeds of an insurance claim in respect of a Property to be applied; or
- (b) (subject to certain conditions) an Obligor so elects,

the relevant Obligor shall apply all monies received or receivable under any Insurance Policy in respect of each Property (other than amounts in respect of loss of rent insurance which must be paid into the Loan Service Account) towards replacing, restoring or reinstating that Property.

Pending such reinstatement all proceeds paid to an Obligor in excess of € 1,000,000 shall be paid into the Insurance Proceeds Account and all proceeds paid in an amount equal to or less than € 1,000,000 must be paid into the General Account.

Property Protection Loans

If a Borrower has failed to pay an amount (the "**Unpaid Property Amount**") due and payable to insurers or other third parties providing services in respect to the Properties whose claims rank at least *pari passu* with other unsecured, unsubordinated and un-guaranteed obligations of a Borrower (an "**Unpaid Person**") the Facility Agent may, at its sole discretion, request the Lenders to, pay to the relevant Unpaid Person an amount an amount equal to the Unpaid Property Amount provided that:

- (a) the Facility Agent has notified the Parent in writing of such payment default;
- (b) an Obligor has been given the opportunity to remedy the payment default within two (2) Business Days as of the date of the notification; and
- (c) that amount due and payable is not being contested in good faith by an Obligor,

unless a Loan Event of Default is continuing in which case the Lender does not have to comply with (a) and (b) and (c) above. If a Lender pays an Unpaid Property Amount to an Unpaid Person, then:

- (i) that Lender shall specify to that Unpaid Person that the amount is paid towards satisfaction of the Unpaid Property Amount; and

- (ii) that Lender shall be deemed to have made to the relevant Borrower a loan (a "**Property Protection Loan**") in an amount equal to the Unpaid Property Amount.

Any Property Protection Loan will be immediately repayable on demand. Any Property Protection Loan shall bear interest equal to the interest payable in respect of a Facility which interest shall be immediately payable by each Borrower on demand.

Notwithstanding the payment by a Borrower of an amount to an Unpaid Person as a result of a Property Protection Loan, a Loan Event of Default in relation to an Unpaid Property Amount shall be treated as outstanding until the date on which that Property Protection Loan, together with accrued interest on that Property Protection Loan, has been repaid.

Borrower Hedging Arrangements

Hedging obligations

Under the terms of the Facilities Agreement, the Borrowers are required to maintain (subject to the limits described below) at all times interest rate hedging arrangements in respect of 100 per cent. of the interest costs in respect of the aggregate amount of the Loan outstanding under the Facilities Agreement, to protect against the risk that the floating rate of interest payable by the Borrowers under the Loan may increase whilst the Borrowers' income which comprises, primarily, of rental income in respect of the Properties and which does not vary according to prevailing interest rates, would not increase accordingly.

Pursuant to the Borrower Swap Agreement, the Borrowers have entered into hedging arrangements in respect of the Facility Loan (the "**Borrower Swap Agreement**") with NIBC (the "**Borrower Swap Counterparty**"). Pursuant to the Facilities Agreement the Obligors have agreed to ensure that, upon a securitisation or similar transaction involving any part of the rights of a Finance Party under the Facilities Agreement, any Borrower Swap Counterparty, or any guarantor, shall maintain a requisite rating of F1 (or better) by Fitch and A-1(or better) by S&P for its short-term debt obligations and A (or better) by Fitch for its long-term debt obligations (the "**Hedging Required Ratings**"). As such pursuant to the terms of the 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 Borrower Swap Agreement will be assigned to the Back-Up Borrower Swap Counterparty and the Back-Up Borrower Swap Counterparty will assume all of the Borrower Swap Counterparty's liabilities under the Borrower Swap Agreement if the Borrower Swap Counterparty fails to make any payment when due under the Borrower Swap Agreement and which failure is not remedied within the grace period provided for in the Borrower Swap Agreement. Following assignment of the rights and assumptions of the liabilities, (i) all references herein to NIBC as Borrower Swap Counterparty shall be deemed to be a reference to the Back-Up Borrower Swap Counterparty or any successor thereto, (ii) the Borrower Swap Counterparty shall be released from its obligations under the Borrower Swap Agreement towards the Lenders, and (iii) the Back-Up Borrower Swap Counterparty shall have acquired all rights of the Borrower Swap Counterparty as against the Borrowers under the Borrower Swap Agreement.

Termination of Borrower Swap Agreement

If at any time the Back-Up Borrower Swap Counterparty in respect of the Borrower Swap Agreement ceases to satisfy the Hedging Required Ratings and/or following such a cessation experiences a further ratings downgrade specifically described in the Borrower Swap Agreement (a "**Rating Event**"), the Borrower Swap Counterparty must (a) find a party which satisfies the Hedging Required Ratings to become co-obligor or guarantor or transfer all its interests in and obligations under the Borrower Swap Transactions to a party with the Hedging Required Ratings, (b) transfer collateral to the Borrowers in an amount acceptable to the Rating Agencies pursuant to an ISDA credit support annex (or similar mark-to market collateral agreement) in respect of its obligations under the Borrower Swap Agreement or (c) take such other action as the Borrower Swap Counterparty 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 Hedging Arrangements.

In addition, under the terms of the Finance Documents, the Borrower Swap Transaction must at any time have an aggregate notional amount not less than the aggregate amount of the Facilities then outstanding, such that at all times the Borrower's obligations under the Facilities will be fully hedged against adverse movements in prevailing interest rates. If at any time the aggregate notional principal amount of the Hedging Arrangements under the Borrower Swap Agreement exceeds the aggregate amount of the Whole Loan then outstanding, such Borrower may reduce pro rata the notional principal amount of the relevant Hedging Arrangements by an amount and in a manner satisfactory to the Facility Agent so that the aggregate notional principal amount of the relevant hedging arrangement no longer exceeds the aggregate amount of the relevant Loan then outstanding.

If at any time part of the Principal Amount Outstanding under a Facility is prepaid, the Borrowers may reduce the notional amount of the Borrower Swap Transaction by an amount equal to such prepayment and in a manner satisfactory to the Facility Agent (acting reasonably) to reflect the aggregate amount of the Facility then outstanding.

Neither the Borrowers nor the Borrower Swap Counterparty in respect of the Borrower Swap Agreement will be entitled (other than in the case of minor or technical amendment or waiver which does not affect the commercial position of any of the parties) to amend or waive the terms of the Borrower Swap Agreement without the consent of the Facility Agent.

Transfer of the Borrower Swap Agreement

NIBC as Borrower Swap Counterparty will, subject to the Back-Up Borrower Swap Counterparty then having the Hedging Requisite Rating, assign its rights, title and interest under the Borrower Swap Agreement to the Back-Up Borrower Swap Counterparty and the Back-Up Borrower Swap Counterparty will assume all of NIBC's as Borrower Swap Counterparty's liabilities, obligations and duties under the Borrower Swap Agreement if NIBC fails to make any payment when due under the Borrower Swap Agreement, which failure is not remedied within the grace period provided for in the Borrower Swap Agreement.

Upon the assignment of the rights to and assumption of the liabilities by the Back-Up Borrower Swap Counterparty under the 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 Hedging Requisite Ratings upon the Back-Up Borrower Swap Counterparty or any successor thereto.

If, at any time prior to the assignment of the rights to and assumption of the liabilities by the Back-Up Borrower Swap Counterparty under the Borrower Swap Agreement pursuant to the Borrower Contingent Assignment and Assumption Deed, the Back-Up Borrower Swap Counterparty ceases to have the Hedging Requisite Rating, then within thirty (30) days of such cessation, the Borrower Swap Counterparty will be required to take certain remedial measures which may include providing collateral for its obligations under the Borrower Swap Agreement, arranging for its obligations under the 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 Agreement, or taking such other action as it may agree with S&P and 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 rating event.

Under the terms of the Borrower Contingent Assignment and Assumption Deed, following the assignment of NIBC 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 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 Borrower Swap Counterparty cease to be rated as least as high as "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 A-1 by S&P and 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 Borrower Swap Agreement, arranging for its obligations under the relevant Borrower Swap Agreement to be transferred to another entity, procuring another entity to become co-obligor or guarantor in respect of its obligations under the Borrower Swap Agreement, or taking such other action as it may agree with S&P and 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 the Borrower Swap Agreement coincides with the relevant Loan Maturity Date.

The Borrowers and Borrower Swap Counterparty will not be entitled to amend or waive the terms of the Borrower Swap Agreement without the consent of the Facility Agent.

The Borrower Swap Agreement and the Borrower Contingent Assignment and Assumption Deed are governed by English law.

Hedging Loans

If a Borrower fails to pay (or if the Facility Agent anticipates that a Borrower fails to pay) any amount which is due and payable under the Hedging Arrangements (not being an amount due as a result of any termination of any transaction under the Hedging Arrangement) (the "**Unpaid Hedging Amount**"), the Facility Agent may, in its sole discretion, request the Lenders to pay to the Borrower Swap Counterparty an amount equal to the Unpaid Hedging Amount. If a Lender pays such an amount to the Borrower Swap Counterparty, then:

- (a) the Facility Agent shall specify to the Borrower Swap Counterparty that the amount is paid towards satisfaction of the Unpaid Hedging Amount; and
- (b) the Facility Agent shall be deemed to have made to the relevant Borrower a loan (a "**Hedging Loan**") in an amount equal to the Unpaid Hedging Amount.

Any Hedging Loan will be immediately repayable by a Borrower on demand. Any Hedging Loan shall bear interest at a rate to be that which expresses as a percentage rate per annum the cost to the Issuer of funding that Hedging Loan by drawing under any liquidity facility available to the Issuer (see further *Liquidity Facility Agreement* above). Any interest accruing on a Hedging Loan shall be immediately payable by the Borrowers on demand.

Notwithstanding the payment by a Borrower of an amount to the Borrower Swap Counterparty as a result of a Hedging Loan, a Loan Event of Default in relation to an Unpaid Hedging Amount shall be treated as outstanding until the date on which that Hedging Loan, together with accrued interest on that Hedging Loan, has been repaid.

Loan Servicing

Pursuant to the Facilities Agreement, each Finance Party is entitled, from time to time, to appoint a loan servicer (the "**Loan Servicer**") to act as the representative of such Finance Parties in connection with the Facilities Agreement and the other Finance Documents. Any Loan Servicer so appointed has the right to delegate or sub-contract its authority to act as the Lenders' representative under the Facilities Agreement and the other Finance Documents provided that the Loan Servicer enters into an appropriate confidentiality agreement with such delegate or sub-contractor. As per the Closing Date the Finance Parties has appointed NIBC as the Loan Servicer.

Loan Security

Charged Assets

Under the Borrower Security Documents (and in respect of the Telined Mortgage, Telined Beheer B.V.), as security for the obligations under the Facilities Agreement and the Borrower Parallel Debt, the relevant Obligors or, as the case may be Telined Beheer B.V., have granted in favour of the Security Agent first ranking mortgages over the Properties and the relevant Obligors have granted in favour of the Security Agent first ranking pledges over, *inter alia*, all bank accounts, the benefit of any insurance policy relating to the Properties, all present and future rights and receivables under the

Borrower Swap Agreement and each Occupational Lease in respect of the Properties. In addition, the relevant Obligors have granted in favour of the Security Agent a first ranking pledge over the shares in the capital of the Borrowers and the Borrowers have granted in favour of the Security Agent a first ranking pledge over the shares in each of the Borrowers. Moreover, each Obligor has granted the Security Agent a first ranking right of pledge over any intercompany loan receivables (see further *Description of Security* below).

Future assets

Under Dutch law, the security created under the Borrower Security Documents will not create a valid and enforceable security interest in respect of certain types of assets acquired after the date of the Borrower Security Documents. Therefore, each Obligor will be obliged to ensure that additional rights of pledge over any new assets (including any new occupational leases entered into by the Guarantor or any shares in a Substitute Property Company) and additional rights of mortgage over any new assets (including any or each Substitute Property) are granted on a periodic basis or if earlier, such time when a new asset is acquired.

Enforceability

The security created by the Borrower Security Documents and the Telined Mortgage will only be enforceable once a Loan Event of Default has occurred and provided that there is a default (*verzuim*) in the performance of the Obligors' secured liabilities. The Borrower Security Documents and the Telined Mortgage will confer upon the Security Agent a wide range of powers in connection with the sale or disposal of the Properties (including the right to collect (*innen*) receivables).

THE INTERCREDITOR DEED

The description below applies to the Intercreditor Deed which is to be entered into on the Closing Date between the Issuer, each Subordinated Lender, the Security Agent and the Facility Agent. The Intercreditor Deed will regulate the claims between the Issuer (as Senior Lender) and the Subordinated Lenders as to payments, subordination and priority in relation to each of the Senior Loan and the Subordinated Loan, respectively.

Cure Rights of the Subordinated Lenders

Upon becoming aware that, on any Loan Interest Payment Date there are unlikely to be sufficient funds standing to the credit of the relevant Control Accounts to discharge the Borrowers' obligations to make all payments of principal and interest (other than default interest) then due, directly or indirectly, to the Issuer in respect of the Senior Loan (after paying or providing for all amounts which are, in accordance with the Pre-Material Default Priority of Payments, to be paid or provided for in priority thereto) (such shortfall a "**Senior Loan Payment Deficiency**"), the Facility Agent (or the Servicer or Special Servicer, as applicable, on its behalf) will notify the Subordinated Lenders thereof by no later than 10.00 a.m. on the Business Day following the relevant Loan Interest Payment Date. Within five (5) Business Days after receiving such notification (such period being the "**Cure Period**"), any Subordinated Lender will be entitled to pay into the Distribution Account an amount equal to the relevant Senior Loan Payment Deficiency (a "**Cure Payment**").

If a Subordinated Lender makes such a Cure Payment, the amount of the Cure Payment will for the purposes of the Intercreditor Deed and the other Transaction Documents be treated as having been received from the Borrowers. Among other things, this means that if a Subordinated Lender makes a Cure Payment which ensures that the Issuer in respect of the Senior Loan receives no less principal and interest (other than default interest) than it would have received, had the Borrowers made all payments when they fell due, (i) payments received on the related Whole Loan will be allocated as if no event of default had occurred, (ii) the Whole Loan will not become a Specially Serviced Loan or accelerated by virtue of the Borrowers' default (solely with respect to the default for which such Cure Payment was made) nor will enforcement of the security for such Whole Loans be commenced, (iii) no Special Servicing Fee will accrue on the Whole Loan and (iv) distributions will be made in accordance with the relevant Pre Material Default Priority of Payments.

However:

- (i) the rights of a Subordinated Lender arising as a result of the making of a Cure Payment will not result in such Subordinated Lender becoming subrogated to the rights of the Issuer (as Senior Lender); and
- (ii) the making of Cure Payments will not affect a Borrower's obligation under the Loan (including, without limitation, a Borrower's obligation to pay default interest or late payment charges) and will not limit the right of the Servicer or the Special Servicer to send default notices to and seek payment from the Borrowers and any other Obligor nor will such payments limit the right of the

Servicer or the Special Servicer to preserve the rights of the Issuer to direct the Facility Agent and/or the Issuer Security Trustees (as appropriate), to act in accordance with the provisions of the Facilities Agreement (although none of them will be entitled to accelerate the Loan).

If, prior to a Subordinated Lender making a Cure Payment, the Issuer has made a Liquidity Drawing under the Liquidity Facility Agreement in relation to the Senior Loan, such Subordinated Lender shall, subject to the terms of the Intercreditor Deed also pay to the Issuer an amount equal to the interest that is, or will be, payable by the Issuer on such Liquidity Drawing.

The Subordinated Lenders may not make a Cure Payment in relation to the Senior Loan, as the case may be, more than two (2) consecutive Loan Interest Payment Dates and no more than four (4) times during the term of the Whole Loan. A Subordinated Lender will not be entitled to be paid any interest on Cure Payments except to the extent provided in the relevant priority of payments.

Save as specifically provided under the Pre-Material Default Priority of Payments and Post-Material Default Priority of Payments as described below, reimbursement of Cure Payments made by a Subordinated Lender shall be subordinated to all rights of, among others, the Issuer with respect to the Servicer and the Special Servicer.

Modifications, Waivers and Consents

Notwithstanding the terms of the Whole Loan, the Servicer, or Special Servicer, as applicable, will, subject to the terms of the Intercreditor Deed and the Servicing Agreement, be required to obtain the consent of the Subordinated Lenders as long as they are the Controlling Party, with respect to proposals before it takes certain specified actions (as determined by the Servicer or the Special Servicer, as applicable) and will be obliged to consider recommendations of the Controlling Party, which may be the Subordinated Lenders (see further section *Servicing*).

Purchase Right of the Subordinated Lenders:

If a Purchase Event of Default occurs with respect to the Whole Loan, any Subordinated Lender may, at its sole discretion, purchase the Senior Loan in whole (but not in part) from the Issuer for an amount equal to the principal amount thereof, along with accrued but unpaid interest thereon, fees costs and expenses of the Issuer (including any Prepayment Compensation Amounts (if any), Break Costs that might have become payable as a result of the acceleration of the Senior Loan). For these purposes, a "**Purchase Event of Default**" means:

- (a) the occurrence of a Special Servicing Event as a result of a Loan Event of Default relating to a non-payment (pursuant to item (a) or (b) of the definition of Special Servicing Event);
- (b) a Loan Event of Default relating to insolvency, after the occurrence of any event that causes the Whole Loan to become Specially Serviced;
- (c) the commencement of enforcement proceedings by or on behalf of the Lenders;
- (d) a Subordinated Lender ceasing to be the Controlling Party with regard to the Whole Loan; or

- (e) an acceleration of the Whole Loan.

Transfer Rights of a Subordinated Lender

No Subordinated Lender may transfer its interest in the Subordinated Loan (or any part thereof) to any person unless the transferee accedes to the Intercreditor Deed and the transferee is a qualifying lender under the Intercreditor Deed.

Enforcement Rights of a Subordinated Lender

The Intercreditor Deed will provide that the Subordinated Lenders (acting jointly) will have any rights to enforce the Whole Loan, unless the following conditions are met:

- (a) the Facility Agent (or the Servicer or Special Servicer, as applicable) has given notice in writing to the Senior Lender and the Subordinated Lender of the occurrence of a Material Event of Default;
- (b) the Lenders (whether by way of majority lenders or otherwise) have the right to make such a direction under the terms of the Finance Documents and the Borrower Security Documents;
- (c) the Servicer or the Special Servicer, as the case may be, is satisfied that the proceeds of such enforcement will not be less than 120 per cent of the principal amount outstanding under the Senior Loan; and
- (d) a period (a "**Standstill Period**") of not less than sixty (60) days has elapsed from the date the Facility Agent first sent notice of such Material Event of Default,

in which case, the Subordinated Lender will have the right to direct or instruct the Security Agent to exercise any remedy or take any action as permitted under the terms of the Finance Documents upon the occurrence of a Material Event of Default

Priorities of payments between the Issuer and the Subordinated Lenders

On each Loan Interest Payment Date, the Servicer will cause the transfer to an account in the name of the Security Agent (the "**Distribution Account**") of all amounts due from the Obligors and standing to the credit of the relevant Control Accounts to meet the relevant Borrowers' payment obligations under the Facilities Agreement in respect of the Lenders. The Servicer will, for the Senior Loan and the Subordinated Loan maintain ledgers within the Distribution Account in which it will record payments received from an Obligor under the Facilities Agreement, all Cure Payments and/or payments to the Grace Period Ledger made by a Subordinated Lender in respect thereof and all payments and provisions made in accordance with the Pre-Material Default Priority of Payments and Post-Material Default Priority of Payments.

On each Loan Interest Payment Date on which a Material Event of Default does not exist (including, for the avoidance of doubt, following any cure of a Material Event of Default), all amounts standing to the credit of the Distribution Account (other than amounts credited to the relevant Grace Period

Ledger and excluding any Prepayment Compensation Amounts) which were received in relation to the Whole Loan towards payments due to the Lenders, during the relevant Loan Interest Period ending on that Loan Interest Payment Date will be distributed by the Servicer, in the following order of priority in relation to the Whole Loan (the "**Pre-Material Default Priority of Payments**"):

- (a) *first*, in or towards satisfaction *pari passu* and *pro rata* of any unpaid fees, costs and expenses due and payable by the Issuer (as Senior Lender) and the Subordinated Lenders to the Facility Agent and Security Agent under the Facilities Agreement;
- (b) *second*, in or towards satisfaction *pari passu* and *pro rata* of (i) all amounts expended by the Security Agent or the Senior Lender in connection with the preservation of the rights of the Finance Parties under the Finance Documents, including the preservation of the Property as security for the Whole Loan and including any Property Protection Loan or Hedging Loan made in accordance with the terms of the Facilities Agreement, and (ii) any amounts due and payable to the Servicer and the Special Servicer pursuant to the Servicing Agreement (including any substitute servicer or special servicer appointed in accordance therewith) and including any Servicing Fee, Special Servicing Fee, Liquidation Fee or Workout Fee);
- (c) *third*, to pay *pari passu* and *pro rata*:
 - (i) interest due but unpaid (excluding default interest) to the Issuer (as Senior Lender) in respect of the Senior Loan; and
 - (ii) interest due but unpaid (excluding default interest) to each Subordinated Lender in respect of the Subordinated Loan,
- (d) *fourth*, to repay *pari passu* and *pro rata*:
 - (i) principal amounts outstanding in respect of the Senior Loan (as adjusted for any break losses or gains);
 - (ii) principal amounts outstanding in respect of the Subordinated Loan (as adjusted for any break losses or gains).up to the aggregate amount relating to principal received in respect of the Whole Loan in the Loan Interest Period ending on the relevant Loan Interest Payment Date *less* any amounts payable under item (a) and (b) above);
- (e) *fifth*, to repay to the relevant Subordinated Lender any outstanding Cure Payments to the extent that the Issuer (as Senior Lender) has recovered such amounts from the Obligors together with interest in an amount equal to any Net Default Interest (as defined in the relevant Intercreditor Deed) actually recovered from the Borrowers in relation to the overdue amounts in respect of which such Cure Payment was made; and

- (f) *sixth*, to pay to the Issuer (as Senior Lender) and the Subordinated Lenders *pari passu* and pro rata any other amounts due to them under the Senior Loan and the Subordinated Loan, including, for the avoidance of doubt, any default interest (to the extent that any default interest remains after the payment of Net Default Interest to the Subordinated Lenders under (e) above).

Any and all amounts standing to the credited of the Distribution Account relating to Prepayment Compensation Amounts will on the immediately succeeding Loan Interest Payment Date be paid to the Senior Lender.

If on any Loan Payment Date there is an insufficient amount available in order to enable the amounts under item (b) of the Pre-Material Default Priority of Payments to be paid in full, and if the Issuer elects to pay the shortfall from its Notes Interest Available Amounts (which amounts may represent the proceeds of a drawing pursuant to the Liquidity Facility Agreement), the Issuer will be entitled to be reimbursed by the Subordinated Lenders in respect of any such payment made (together with interest at the rate payable by the Issuer in respect of the relevant drawing under the Liquidity Facility Agreement (if such payment is made using the proceeds of such a drawing) or with interest at the applicable rate (if such payment is made otherwise than by a drawing under the Liquidity Facility Agreement)) from amounts payable under the Subordinated Loan on each following Loan Payment Date until the Senior Lender has been reimbursed in full, with interest at the appropriate rate prior to the payment of any such amounts to the Subordinated Lender. For the avoidance of doubt, such reimbursement shall take place through amounts payable to the Subordinated Lender under the applicable priority of payments being paid instead to the Senior Lender.

For the avoidance of doubt, the fees, costs and expenses referred to in items (a) and (b) above shall only extend to those which are payable by the Issuer (as Senior Lender) and the Subordinated Lenders under the Facilities Agreement relating to the Senior Loan and the Subordinated Loan and the Servicing Agreement and shall not (save to the extent provided for above) include any other costs and expenses incurred by the Issuer (as Senior Lender) or the Subordinated Lenders in connection with the transfer, financing or securitisation of its interest in the Senior Loan.

Upon the occurrence of a Material Event of Default (taking into account any applicable grace period under the Facilities Agreement, but without taking into account whether the related cure period has expired) in respect of the Senior Loan, for so long as a Subordinated Lender is not making a Cure Payment and the Material Event of Default has not been cured by a Borrower, all amounts that would have been distributed to a Subordinated Lender pursuant to the Pre-Material Default Priority of Payments will be held back by the Servicer in the Distribution Account under a separate ledger (the "**Grace Period Ledger**"). If a Subordinated Lender makes a Cure Payment, or if a Borrower cures all defaults, the amounts held in the relevant Grace Period Ledger will be released to the Subordinated Lenders within two (2) Business Days. If, however, a Subordinated Lender does not make a Cure Payment during any applicable Cure Period and a Borrower does not cure all defaults, the amounts held in the Grace Period Ledger will be applied pursuant to the Post-Material Default Priority of Payments on the next Loan Interest Payment Date.

If, on a Loan Interest Payment Date, a Material Event of Default exists, all amounts received in relation to a Whole Loan during the Loan Interest Period ending on that Loan Interest Payment Date (other than prepayment fees) and standing to the credit of the Distribution Account (including the relevant Grace Period Ledger) will be applied by the Servicer in the following order of priority (the "**Post-Material Default Priority of Payments**"):

- (a) *first*, in or towards satisfaction *pari passu* and *pro rata* of any unpaid fees, costs and expenses due and payable by the Issuer (as Senior Lender) and the Subordinated Lenders to the Facility Agent and Security Agent under the Facilities Agreement;
- (b) *second*, in or towards satisfaction *pari passu* and *pro rata* of (i) all amounts expended by the Security Agent or the Senior Lender in connection with the preservation of the rights of the Finance Parties under the Finance Documents, including the preservation of the Property as security for the Whole Loan and including any Property Protection Loan or Hedging Loan made in accordance with the terms of the Facilities Agreement, and (ii) any amounts due and payable to the Servicer and the Special Servicer pursuant to the Servicing Agreement (including any substitute servicer or special servicer appointed in accordance therewith) and including any Servicing Fee, Special Servicing Fee, Liquidation Fee or Workout Fee);
- (c) *third*, to pay interest due but unpaid (excluding default interest) to the Issuer (as Senior Lender) in respect of the Senior Loan, at the senior rate;
- (d) *fourth*, to repay principal amounts outstanding in respect of the Senior Loan (as adjusted for any break losses or gains) to the Issuer (as Senior Lender) until the Senior Loan is repaid in full;
- (e) *fifth*, to pay interest due but unpaid (excluding default interest) to the Subordinated Lenders in respect of the Subordinated Loan at the subordinate rate;
- (f) *sixth*, to repay to a Subordinated Lender any outstanding Cure Payments together with interest in an amount equal to any Net Default Interest (as defined in the relevant Intercreditor Deed) actually recovered in relation to the overdue amount in respect of which the relevant Cure Payment was made;
- (g) *seventh*, to repay principal amounts outstanding in respect of the Subordinated Loan (as adjusted for any break losses or gains) to a Subordinated Lender until the relevant Subordinated Loan, is repaid in full; and
- (h) *eight*, to the Issuer (as Senior Lender) and a Subordinated Lender *pari passu* and *pro rata*, any default interest on overdue amounts (to the extent that any default interest remains after the payment of Net Default Interest to a Subordinated Lender under item (f) above) and any other amounts payable to the Issuer (as Senior Lender) and the Subordinated Lender.

Any and all amounts standing to the credited of the Distribution Account relating to Prepayment Compensation Amounts will on the immediately succeeding Loan Interest Payment Date be paid to the Senior Lender.

If on any Loan Payment Date there is an insufficient amount available in order to enable the amounts under item (b) of the Post-Material Default Priority of Payments to be paid in full, and if the Issuer elects to pay the shortfall from its Notes Interest Available Amounts (which amounts may represent the proceeds of a drawing pursuant to the Liquidity Facility Agreement), the Issuer will be entitled to be reimbursed by the Subordinated Lenders in respect of any such payment made (together with interest at the rate payable by the Issuer in respect of the relevant drawing under the Liquidity Facility Agreement (if such payment is made using the proceeds of such a drawing) or with interest at the applicable rate (if such payment is made otherwise than by a drawing under the Liquidity Facility Agreement)) from amounts payable under the Subordinated Loan on each following Loan Payment Date until the Senior Lender has been reimbursed in full, with interest at the appropriate rate prior to the payment of any such amounts to the Subordinated Lender.

For the purpose of the foregoing:

"Material Event of Default" means, in relation to a Loan either or both of the following:

- (a) a Payment Event of Default; and
- (b) the Obligors stopping payment or threatening to stop payment of their debts or being or becoming unable to pay their debts as they fall due or otherwise becoming insolvent, insolvency proceedings being commenced or threatened against a Borrower or any attachment, sequestration, distress, diligence or execution being effected against any assets of a Borrower.

"Net Default Interest" means the difference (if any) between the amount of interest which the Borrowers are obliged to pay as a result of the Whole Loan being in default and the amount of interest which such Borrowers would be required to pay, if such Whole Loan was not in default.

"Payment Event of Default" means, in relation to a Loan, a failure by the a Borrower or other Obligor to pay (subject to the expiry of any applicable grace period) any amount due under the relevant Finance Documents on the date on which it is due (unless the relevant Subordinated Lender has made a Cure Payment which is sufficient to ensure that all amounts which are then due and payable on the relevant Senior Loan have been, or will on that date be, paid in full or any relevant Cure Period has not yet expired).

Governing law

The Intercreditor Deed is governed by Dutch law.

THE SPONSOR AND PROPERTY MANAGER

Breevast B.V.

Breevast B.V., directly or indirectly, holds the share capital of the Borrowers (with the exception of B.V. De Veegtes IV). It also fulfils the role of Property Manager for all Properties.

Profile

Breevast B.V. is a real estate company founded in 1963. It focuses on the development, realization and management of commercial and residential real estate in Western and Central Europe and North America. Breevast B.V. applies a diversification by sector and geography of the portfolio with a view of spreading the risks. The company is established in Amsterdam, The Netherlands.

Strategy

Breevast B.V. aims to expand and improve the quality of its real estate portfolio. Hereto it maintains a revolving real estate portfolio to foster the dynamics of the company and improve its performance and it acquires both individual properties and portfolios. In addition, Breevast B.V. develops commercial and residential real estate for its own portfolio in order to:

- realize higher initial returns;
- keep its own real estate portfolio relatively young and of good quality;
- retain the market-relevant expertise within the organization.

Breevast B.V. limits the risk of project development by ensuring that a substantial portion is rented before construction begins, and by maintaining a stringent budget discipline.

The company has held a 51% stake in the project developer and asset management organization Wattson Breevast, LLC in the United States since 1996. The emphasis in this sphere of activity lies on creating added value through the development and redevelopment of real estate, in the context of which relatively short turnaround times of two to five years are employed.

Besides the solid positions in the core markets of The Netherlands, Belgium and the United States, Breevast B.V. is attentive to opportunities in new fields of operation. The focus here is on economically strong and/or rapidly growing, politically stable countries. With a view to cost efficiency and retention of internal know-how, Breevast B.V. endeavours to have the administrative, commercial and technical management of its portfolio take place as much as possible within its own organization. By means of direct, frequent contact with the tenants and the real estate market, it is possible to quickly capitalize on market developments.

Breevast B.V. pursues an active policy with respect to the monitoring and management of risks that are inherent to the investment in, and the development of real estate. The risk management focuses on strategic, operational, financial, reporting and compliance risks and also includes the continuous evaluation and, where necessary, adjustment of the internal business processes and procedures.

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Corporate Governance

Although Breevast B.V., as an unlisted company, is not bound to the rules and regulations for listed companies, it does follow the developments in this field. Breevast B.V.'s policy in this respect is that rules and standards for listed companies that aim to strengthen management and accountability will be complied with if they are of practical significance for Breevast B.V., after making any changes on account of Breevast B.V.'s specific character and deviating circumstances.

Key figures

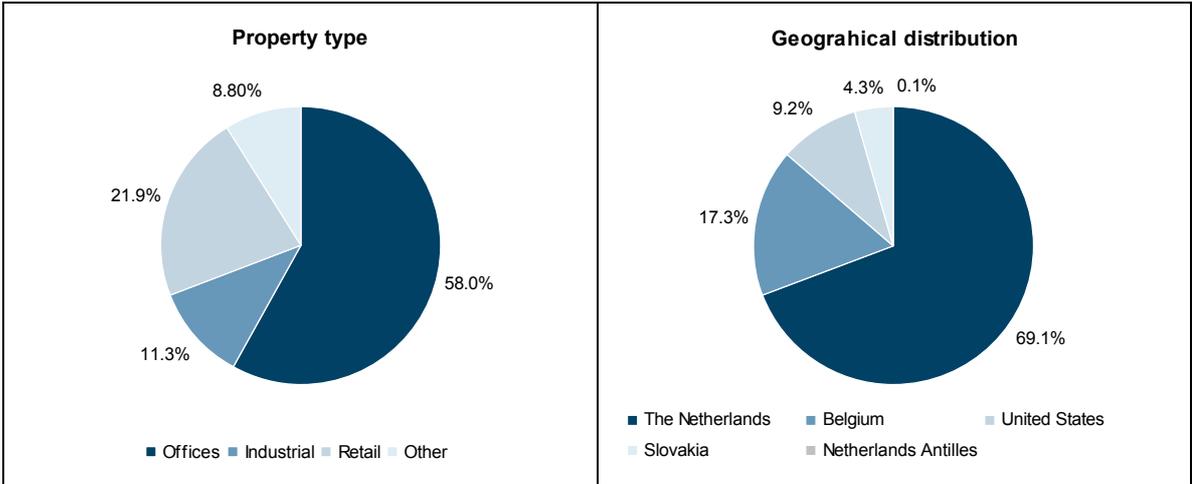
(all amounts x EUR 1,000)

	2006	2005	2004	2003	2002
Properties under management	1,555,782	879,713	841,644	904,266	873,185
Properties under development	241,341	236,257	115,298	46,896	37,596
Rental income	67,412	48,501	69,679	70,231	59,816
Changes in value on investments	125,568	43,324	27,735	17,319	20,797
Net profit	128,478	50,624	26,271	27,585	25,534
Shareholder' equity	533,848	375,564	314,993	289,532	275,087
Solvency ratio*	41%	42%	41%	37%	38%
* Group equity incl. provisions / total liabilities					

Source: Annual reports Breevast B.V.

Real estate portfolio

The composition of the real estate portfolio based on fair value as per 31 December 2006:



Source: Annual reports Breevast B.V.

Management

Mr. A.J.M. Beekman RA (50) CEO since September 2006. He has worked for a large number of years as a director for Amstelland N.V. and Multi Development Corporation N.V. In May 2005 he moved to Volker Wessels Stevin N.V. to form part of the managing board and recently he was appointed CEO of Breevast.

Henk Brouwer (44) member of the Board of Management and managing director since 1999. Mr. Brouwer joined Breevast B.V. in 1993 and held the position of financial director until 1999.

Jacco Vermeij (39), member of the Board of Management of Breevast B.V. since November 15, 2005. Mr. Vermeij took up his post at Breevast B.V. on October 1, 2005 and originates from AM Development B.V., where he has worked for nine years in several positions including director of Office Developments and director of Asset Management.

BREEVAST PROPERTIES I B.V. AND B.V. DE VEEGTES IV

Introduction

The Obligors, the Parent, the Guarantor and Telined Beheer B.V. belong to the same group of companies (the "**Borrower Group**").

The Parent, directly or indirectly, holds the share capital of all of the Borrowers with the exception of B.V. De Veegtes IV. After the Permitted Restructuring, the Parent will also, directly or indirectly, hold the share capital of B.V. De Veegtes IV.

The Properties owned (or leasehold rights, as the case may be, hold) by Breevast Properties I B.V. and B.V. De Veegtes IV account for, respectively 54.5 per cent. and 21.3 per cent. of the Portfolio as at the Initial Valuation Date. Reference is made to Schedule 2 (The Properties) which indicates which Properties are owned by Breevast Properties I B.V. and B.V. De Veegtes IV respectively. It is of note that B.V. De Veegtes IV is the holder of the beneficial rights relating to the relevant Properties. Hypermarkten Holland B.V. is the holder of the leasehold rights relating to the relevant Properties. B.V. De Veegtes IV is the direct legal and beneficial owner of the entire issued and outstanding shares in the capital of Hypermarkten Holland B.V.

Breevast Properties I B.V.

Breevast Properties I B.V. was established on 29 November 2006 under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) having its corporate seat (*statutaire zetel*) in Amsterdam and registered offices at J.J. Viottastraat 39, 1071 JP Amsterdam, the Netherlands, telephone number +31 20 5703570 and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34260893.

B.V. De Veegtes IV

B.V. De Veegtes IV was established on 15 December 1969 under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) having its corporate seat (*statutaire zetel*) in Geldrop and registered offices at Heuvel 9, 5664 HL Geldrop, the Netherlands, telephone number +31 40 2571700 and registered with the Chamber of Commerce for Oost-Brabant under number 17089095.

Hypermarkten Holland B.V.

Hypermarkten Holland B.V. was established on 17 August 2000 under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) having its corporate seat (*statutaire zetel*) in Venlo and registered offices at Heuvel 9, 5664 HL Geldrop, the Netherlands, telephone number +31 40 2592666 and registered with the Chamber of Commerce for Oost-Brabant under number 32081313.

Breevast Properties I B.V. is a wholly owned subsidiary of Breevast Properties Holding B.V., which in its turn is a wholly owned subsidiary of the Parent. The Parent is, indirectly, owned by ZBG Holding N.V., a public company incorporated under the laws of the Netherlands Antilles and registered with

the Commercial Register of the Chamber of Commerce for, Curacao, the Netherlands Antilles under number 88222, having its principal place of business at Heuvel 9, 5664 HL Geldrop, the Netherlands and registered with the Chamber of Commerce for Oost-Brabant under number 17139107. The rights of Breevast Properties Holding B.V., in its capacity as the sole shareholder of Breevast Properties I B.V., will be managed by its director in accordance with the rights contained in the articles of association and in accordance with the rights and obligations of a shareholder under Dutch law.

Until the Restructuring Date, B.V. De Veegtes IV is a wholly owned subsidiary of B.V. De Veegtes I B.V. which in its turn is, indirectly, legally and beneficially owned by ZBG Capital N.V. and Revoco B.V. The rights of B.V. De Veegtes I B.V., in its capacity as the sole shareholder of B.V. De Veegtes IV, will be managed by its director in accordance with the rights contained in the articles of association and in accordance with the rights and obligations of a shareholder under Dutch law. After the relevant Restructuring Date, Z.B.G. Holding N.V. directly or indirectly legally and beneficially owns the entire issued and outstanding share capital in B.V. De Veegtes IV. Each of these companies belongs to the same group of companies as the Parent. Based on the representations and warranties included in the Facilities Agreement each obligor (which in respect of Breevast Properties I B.V. includes its sole shareholder), as agreed not to dispose of any Property or the shares in a Borrower, save in accordance with the provisions contained in the Facilities Agreement (see section *Key Terms Facilities Agreement – Disposal, Substitution and Alterations*).

Principal Activities

The principal objects of Breevast Properties I B.V. and B.V. De Veegtes IV are set out in their respective articles of association (*statuten*) and are, *inter alia*, to carry on the businesses of a property holding company, the investment in and advising in respect of real estate and to carry on any other business or activity in connection or conjunction with such business. As confirmed pursuant to the Facilities Agreement, neither Breevast Properties I B.V. nor B.V. De Veegtes IV has traded or carried on any business except for the ownership of Properties or the ownership of shares in the Borrowers.

The corporate activities of each of Breevast Properties I B.V., B.V. De Veegtes IV and Hypermarkten Holland B.V. are limited in the Facilities Agreement.

Directors

The sole managing director (*statutaire bestuurder*) of Breevast Properties I B.V. is Breevast B.V. Breevast B.V. is the indirect owner of the shares in the capital of Breevast Properties I B.V. Consequently, a conflict of interest may arise. The sole managing director (*statutaire bestuurder*) of B.V. De Veegtes IV and Hypermarkten Holland B.V. is Z.B.G. Management B.V., a company incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) having its corporate seat (*statutaire zetel*) in Geldrop and registered offices at Heuvel 9, 5664 HL Geldrop, the Netherlands, telephone number +31 40 2592666 registered with the Chamber of Commerce for Oost-Brabant under number 17040653. The principal objects of Z.B.G. Management B.V., are set out in its articles of association (*statuten*), and are mainly limited to management and holding activities. As Z.B.G. Management B.V. also acts as the managing director of certain other companies forming part of the group of companies to which

B.V. De Veegtes IV and Hypermarkten Holland B.V. belong (including the direct holder of all the issued and outstanding share capital in B.V. De Veegtes IV, being B.V. De Veegtes I B.V.) a conflict of interest may arise.

Capitalisation and Indebtedness

The capitalisation of Breevast Properties I B.V. as at 31 December 2006 is as follows:

Breevast Properties I B.V.:

Authorised Share Capital	€ 18,000
Issued Share Capital	€ 18,000

The capitalisation of the B.V. de Veegtes IV and Hypermarkten Holland B.V. as at 31 December 2005 is as follows:

B.V. De Veegtes IV:

Authorised Share Capital	€ 56,723
Issued Share Capital	€ 56,723

Hypermarkten Holland B.V.:

Authorised Share Capital	€ 20,900
Issued Share Capital	€ 20,900

This information above in respect of B.V. De Veegtes IV, Hypermarkten Holland B.V. and Breevast Properties I B.V. has been accurately reproduced from the relevant Original Financial Statements. As far as the Issuer is aware and is able to ascertain from publicly available information no facts have been omitted which would render the reproduced information inaccurate or misleading.

Since the date of incorporation of Breevast Properties I B.V. there has been no material adverse change in the financial position or prospects of Breevast Properties I B.V. and Breevast Properties I B.V. has as at the date of this Offering Circular not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to the acquisition of the relevant Properties and the transaction contemplated by the Finance Documents to which Breevast Properties I B.V. is expressed to be a party, or (ii) been involved in any governmental, legal or arbitration proceedings which may have a significant effect on Breevast Properties I B.V.'s position or profitability nor, so far as Breevast Properties I B.V. is aware, are any such proceedings pending or threatened against Breevast Properties I B.V. No financial statements have been produced by Breevast Properties I B.V. as of the date of this Offering Circular.

The auditor of B.V. De Veegtes IV, Hypermarkten Holland B.V. and Breevast Properties I B.V. is Ernst & Young Accountants, Eindhoven, the Netherlands. Ernst & Young Accountants, Eindhoven is a member of the Royal Dutch Institute for registered accountants (*Koninklijk Nederlands Instituut van Register Accountants*).

The current financial reporting period of the each of Breevast Properties I B.V. and B.V. De Veegtes IV as will end on 31 December 2007.

Governmental, legal and arbitration proceedings

Pursuant to the Facilities Agreement each Obligor has given various covenants and granted various representations and warranties which representations and warranties are deemed to be repeated quarterly. Based on these covenants, representations and warranties Breevast Properties I B.V., B.V. De Veegtes IV and Hypermarkten Holland B.V. have confirmed as at the Loan Closing Date that, to the best of its knowledge and save as disclosed by the Parent to the Finance Parties no governmental or legal or arbitration proceedings of or before any court, arbitral body or agency have been started or threatened against it or any of its subsidiaries, which, if adversely determined, might reasonably be expected to have a material adverse effect (financial or otherwise) on its business, its assets or the validity or enforceability of any document entered into.

Material Adverse change in financial position

As per the Loan Closing Date each of Breevast Properties I B.V., B.V. De Veegtes IV and Hypermarkten Holland B.V. have given representations in respect of their respective original financial statements (each the "**Original Financial Statements**"). In relation to Breevast Properties I B.V. the Original Financial Statements are its opening balance dated on the date of establishment, which opening balance is not audited. As per the date of this Offering Circular no audited financial statements have been prepared in respect of Breevast Properties I B.V. In relation to B.V. De Veegtes IV and Hypermarkten Holland B.V., the Original Financial Statements are their respective audited financial statements for its financial year ended in 2005. Pursuant to the Facilities Agreement, the Original Financial Statements were prepared in accordance with generally accepted accounting principles in the Netherlands, consistently applied. Moreover, in accordance with the representations given (and repeated quarterly) there has since the date of the Original Financial Statements been no material adverse change in the assets, business or financial position of B.V. De Veegtes IV or Hypermarkten Holland B.V..

DESCRIPTION OF THE PROPERTIES

The total portfolio consists of 77 Properties located in the Netherlands with a total net internal floor area of 546,012 m² and a total property value of € 854,432,318, consisting of Offices (39.7%), Retail (37.2%), Industrial (12.5%), Mixed use (6.0%) and one Hotel (4.5%).

The LTV at the Cut-Off Date is 79.3%. An amount of EUR 1,756,901, standing to the credit of the Disposal Proceeds Account, is added to the total property value in the calculation of the LTV.

The Valuer reported that 96.3 % of the Properties (measured by market value) are situated in a good or excellent location and the saleability of 79.8 % of the properties (excluding the Veegtes Portfolio) is valued as good or excellent.

The Portfolio is geographically diversified in the Netherlands with a concentration in the Amsterdam area (29.6%, by market value of the properties).

55 of the Properties are freehold properties constituting absolute ownership of the property. The remaining 22 Properties are leasehold properties constituting ownership of the property subject to an annual payment of a ground rent to the owner of the freehold title. 19 of the 22 leasehold rights are leasehold rights until perpetuity. As at the Cut-Off Date, the current total aggregate amount of ground rent payable in respect of the Properties held in leasehold amounts to € 1,074,709 per annum, it being of note that the ground rent payable may be subject to periodic revisions subject to the terms and conditions of the leasehold right.

All figures below in the description of these properties have been extracted from earlier valuations prepared by Colliers International Eindhoven as the Valuer (see section *Valuer Certificate*) dated 1 December 2006. Colliers International Eindhoven is partnership (*vennootschap onder firma*) established under the laws of the Netherlands, having its principal place of business at Parklaan 95, 5613 BC Eindhoven registered with the Chamber of Commerce for Oost-Brabant under number 17198248. Colliers International Eindhoven is a member of Colliers International Property Consultants, being a worldwide affiliation of independently owned and operated companies. It moreover is a member of the Dutch Association of Real Estate Brokers and Real Estate Experts (*Nederlandse Vereniging van Makelaars*, or NVM). The information above has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information provided by Colliers International Eindhoven no facts have been omitted which would render the reproduced information inaccurate or misleading.

Property Number	Property Town	Property Region	Property Country	Property Type	Tenure	Head Lease Exp. Date	NLA	Market Value (in EUR)	% of Total	Current Gross Rent (in EUR)	% of Total	ERV (in EUR)	Occupancy	Gross Yield
1	Amersfoort	Utrecht	Netherlands	Industrial	Freehold		3,884 m2	3,425,000	0.4%	273,090	0.6%	250,000	100%	8.0%
2	Amsterdam	Noord-Holland	Netherlands	Warehouse	Leasehold	28-2-2035	8,017 m2	2,375,000	0.3%	335,229	0.7%	330,000	100%	14.1%
3	Amsterdam	Noord-Holland	Netherlands	Office	Freehold		2,944 m2	8,835,000	1.0%	616,207	1.2%	589,280	100%	7.0%
4	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	445 m2	2,670,000	0.3%	177,807	0.4%	173,000	100%	6.7%
5	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	475 m2	2,775,000	0.3%	191,157	0.4%	181,000	100%	6.9%
6	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	826 m2	4,915,000	0.6%	301,666	0.6%	300,000	100%	6.1%
7	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	11,091 m2	24,305,000	2.8%	1,705,929	3.4%	1,915,000	100%	7.0%
8	Amsterdam	Noord-Holland	Netherlands	Industrial	Leasehold	Perpetual	5,100 m2	5,855,000	0.7%	467,142	0.9%	440,000	100%	8.0%
9	Amsterdam	Noord-Holland	Netherlands	Mixed Use	Leasehold	Perpetual	4,864 m2	5,965,000	0.7%	355,424	0.7%	430,000	81%	6.0%
10	Amsterdam	Noord-Holland	Netherlands	Warehouse	Leasehold	Perpetual	5,965 m2	4,750,000	0.6%	196,000	0.4%	423,000	48%	4.1%
11	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	14,705 m2	15,465,000	1.8%	1,032,362	2.1%	1,250,000	88%	6.7%
12	Amsterdam	Noord-Holland	Netherlands	Industrial	Leasehold	Perpetual	5,846 m2	6,185,000	0.7%	308,467	0.6%	470,000	81%	5.0%
13	Amsterdam	Noord-Holland	Netherlands	Warehouse	Leasehold	Perpetual	10,146 m2	10,275,000	1.2%	646,514	1.3%	787,000	80%	6.3%
14	Amsterdam	Noord-Holland	Netherlands	Industrial	Leasehold	Perpetual	7,356 m2	9,060,000	1.1%	608,016	1.2%	650,000	94%	6.7%
15	Amsterdam	Noord-Holland	Netherlands	Warehouse	Leasehold	Perpetual	4,343 m2	2,540,000	0.3%	242,498	0.5%	242,000	100%	9.5%
16	Amsterdam	Noord-Holland	Netherlands	Retail	Freehold		923 m2	7,400,000	0.9%	342,571	0.7%	340,000	100%	4.6%
17	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	12,475 m2	39,770,000	4.7%	1,305,462	2.6%	2,350,000	70%	3.3%
18	Amsterdam	Noord-Holland	Netherlands	Industrial	Leasehold	Perpetual	50,456 m2	25,410,000	3.0%	2,216,435	4.5%	2,580,000	95%	8.7%
19	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	6,500 m2	7,290,000	0.9%	-	0.0%	935,000	0%	0.0%
20	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	3,013 m2	25,410,000	3.0%	1,215,000	2.4%	1,200,000	100%	4.8%
21	Amsterdam	Noord-Holland	Netherlands	Office	Leasehold	Perpetual	10,286 m2	33,140,000	3.9%	2,233,988	4.5%	2,145,000	100%	6.7%
22	Amsterdam	Noord-Holland	Netherlands	Office	Freehold		2,820 m2	8,835,000	1.0%	79,628	0.2%	605,000	13%	0.9%
23	Arnhem	Gelderland	Netherlands	Retail	Freehold		2,300 m2	3,700,000	0.4%	225,471	0.5%	230,000	100%	6.1%
24	Arnhem	Gelderland	Netherlands	Retail	Freehold		20,521 m2	26,510,000	3.1%	1,610,269	3.2%	1,665,000	100%	6.1%
25	Barendrecht	Zuid-Holland	Netherlands	Industrial	Freehold		1,000 m2	410,000	0.0%	41,905	0.1%	38,700	100%	10.2%
26	Barendrecht	Zuid-Holland	Netherlands	Office	Freehold		2,449 m2	2,560,000	0.3%	67,867	0.1%	265,000	27%	2.7%
27	Bergen op Zoom	Noord-Brabant	Netherlands	Industrial	Freehold		1,204 m2	1,105,000	0.1%	89,799	0.2%	80,000	100%	8.1%
28	Breda	Noord-Brabant	Netherlands	Office	Freehold		1,044 m2	1,630,000	0.2%	136,220	0.3%	127,000	100%	8.4%
29	Bussum	Noord-Holland	Netherlands	Office	Freehold		5,469 m2	11,045,000	1.3%	696,197	1.4%	800,000	86%	6.3%
30	Den Haag	Zuid-Holland	Netherlands	Office	Freehold		614 m2	1,930,000	0.2%	103,686	0.2%	101,000	100%	5.4%
31	Den Haag	Zuid-Holland	Netherlands	Office	Freehold		665 m2	1,855,000	0.2%	107,957	0.2%	107,000	100%	5.8%
32	Deventer	Overijssel	Netherlands	Office	Freehold		609 m2	1,435,000	0.2%	88,490	0.2%	88,000	100%	6.2%
33	Doetinchem	Gelderland	Netherlands	Industrial	Freehold		1,000 m2	360,000	0.0%	34,048	0.1%	35,000	100%	9.5%
34	Drachten	Friesland	Netherlands	Industrial	Freehold		30,000 m2	8,035,000	0.9%	819,482	1.7%	823,000	100%	10.2%
35	Eindhoven	Noord-Brabant	Netherlands	Office	Freehold		1,319 m2	1,025,000	0.1%	133,384	0.3%	110,000	100%	13.0%
36	Eindhoven	Noord-Brabant	Netherlands	Residential	Freehold		1,440 m2	3,070,000	0.4%	74,756	0.2%	130,000	100%	2.4%
37	Eindhoven	Noord-Brabant	Netherlands	Office	Freehold		1,408 m2	2,705,000	0.3%	167,794	0.3%	171,000	100%	6.2%
38	Eindhoven	Noord-Brabant	Netherlands	Industrial	Freehold		14,510 m2	7,090,000	0.8%	617,712	1.2%	620,000	100%	8.7%
39	Eindhoven	Noord-Brabant	Netherlands	Office	Freehold		13,841 m2	35,350,000	4.1%	2,510,077	5.1%	2,050,000	100%	7.1%

Property Number	Property Town	Property Region	Property Country	Property Type	Tenure	Head Lease Exp. Date	NLA	Market Value (in EUR)	% of Total	Current Gross Rent (in EUR)	% of Total	ERV (in EUR)	Occupancy	Gross Yield
40	Eindhoven	Noord-Brabant	Netherlands	Office	Freehold		3,270 m2	8,835,000	1.0%	454,517	0.9%	465,000	100%	5.1%
41	Eindhoven	Noord-Brabant	Netherlands	Office	Freehold		10,971 m2	18,115,000	2.1%	1,080,616	2.2%	1,300,000	100%	6.0%
42	Eindhoven	Noord-Brabant	Netherlands	Warehouse	Freehold		5,640 m2	1,535,000	0.2%	60,000	0.1%	150,000	35%	3.9%
43	Geldrop	Noord-Brabant	Netherlands	Office	Freehold		280 m2	485,000	0.1%	32,890	0.1%	36,000	100%	6.8%
44	Groningen	Groningen	Netherlands	Mixed Use	Freehold		4,382 m2	9,390,000	1.1%	599,177	1.2%	570,000	100%	6.4%
45	Haarlem	Noord-Holland	Netherlands	Industrial	Freehold		1,000 m2	670,000	0.1%	75,953	0.2%	54,450	100%	11.3%
46	Heerlen	Limburg	Netherlands	Industrial	Freehold		29,753 m2	6,345,000	0.7%	718,569	1.4%	1,200,000	58%	11.3%
47	Helmond	Limburg	Netherlands	Industrial	Freehold		825 m2	355,000	0.0%	34,048	0.1%	37,000	100%	9.6%
48	Hengelo	Overijssel	Netherlands	Office	Freehold		474 m2	775,000	0.1%	49,301	0.1%	48,000	100%	6.4%
49	Houten	Utrecht	Netherlands	Office	Freehold		1,735 m2	3,315,000	0.4%	-	0.0%	247,150	0%	0.0%
50	Kerkrade	Limburg	Netherlands	Industrial	Freehold		1,800 m2	595,000	0.1%	-	0.0%	63,000	0%	0.0%
51	Mierlo	Noord-Brabant	Netherlands	Industrial	Freehold		1,567 m2	970,000	0.1%	110,262	0.2%	78,000	100%	11.4%
52	Nijmegen	Gelderland	Netherlands	Retail	Freehold		23,770 m2	47,480,000	5.6%	2,632,508	5.3%	2,900,000	88%	5.5%
53	Oosterhout	Noord-Brabant	Netherlands	Industrial	Freehold		3,005 m2	1,770,000	0.2%	129,373	0.3%	135,000	100%	7.3%
54	Rosmalen	Noord-Brabant	Netherlands	Warehouse	Freehold		6,031 m2	1,440,000	0.2%	143,587	0.3%	136,000	100%	10.0%
55	Schiedam	Zuid-Holland	Netherlands	Retail	Leasehold	12-4-2093	15,080 m2	50,815,000	5.9%	2,687,303	5.4%	3,155,000	89%	5.3%
56	Schijndel	Noord-Brabant	Netherlands	Industrial	Freehold		996 m2	345,000	0.0%	34,048	0.1%	35,000	100%	9.9%
57	Sneek	Friesland	Netherlands	Industrial	Freehold		1,000 m2	330,000	0.0%	34,048	0.1%	35,000	100%	10.3%
58	Son	Noord-Brabant	Netherlands	Warehouse	Freehold		1,710 m2	1,330,000	0.2%	108,962	0.2%	113,000	100%	8.2%
59	Spijkensisse	Zuid-Holland	Netherlands	Residential	Freehold		94 m2	170,000	0.0%	7,721	0.0%	7,800	100%	4.5%
60	Tilburg	Noord-Brabant	Netherlands	Warehouse	Freehold		3,020 m2	1,280,000	0.1%	110,057	0.2%	115,000	100%	8.6%
61	Utrecht	Utrecht	Netherlands	Office	Freehold		3,776 m2	8,450,000	1.0%	615,813	1.2%	585,000	100%	7.3%
62	Utrecht	Utrecht	Netherlands	Office	Leasehold	Perpetual	981 m2	2,485,000	0.3%	156,258	0.3%	157,000	100%	6.3%
63	Utrecht	Utrecht	Netherlands	Hotel	Leasehold	1-1-2070	18,096 m2	38,665,000	4.5%	2,291,240	4.6%	3,500,000	100%	5.9%
64	Utrecht	Utrecht	Netherlands	Industrial	Leasehold	Perpetual	1,823 m2	2,045,000	0.2%	167,896	0.3%	128,000	100%	8.2%
65	Utrecht	Utrecht	Netherlands	Office	Freehold		378 m2	960,000	0.1%	62,341	0.1%	60,000	100%	6.5%
66	Utrecht	Utrecht	Netherlands	Office	Freehold		408 m2	1,160,000	0.1%	69,003	0.1%	70,000	100%	5.9%
67	Velp	Gelderland	Netherlands	Residential	Freehold		100 m2	240,000	0.0%	10,186	0.0%	9,750	100%	4.2%
68	Winschoten	Groningen	Netherlands	Industrial	Freehold		1,000 m2	330,000	0.0%	37,964	0.1%	35,000	100%	11.5%
69	Zeist	Utrecht	Netherlands	Other	Freehold		571 m2	770,000	0.1%	9,893	0.0%	9,893	100%	1.3%
70	Zoetermeer	Zuid-Holland	Netherlands	Office	Freehold		30,296 m2	60,760,000	7.1%	3,145,767	6.3%	4,385,000	72%	5.2%
71	Zoetermeer	Zuid-Holland	Netherlands	Retail	Freehold		9,435 m2	32,035,000	3.7%	1,521,516	3.1%	1,927,000	84%	4.7%
72	Zwijndrecht	Zuid-Holland	Netherlands	Office	Freehold		642 m2	985,000	0.1%	65,570	0.1%	64,000	100%	6.7%
73	Zwolle	Overijssel	Netherlands	Industrial	Freehold		1,000 m2	425,000	0.0%	39,286	0.1%	40,000	100%	9.2%
74	Muiden	Noord-Holland	Netherlands	Retail	Freehold		22,675 m2	70,681,084	8.3%	3,281,179	6.6%	3,287,875	100%	4.6%
75	Leeuwarden	Friesland	Netherlands	Retail	Freehold		8,000 m2	16,267,868	1.9%	851,250	1.7%	865,000	100%	5.2%
76	Ede	Gelderland	Netherlands	Retail	Freehold		7,000 m2	14,584,985	1.7%	753,964	1.5%	749,000	100%	5.2%
77	Venlo	Limburg	Netherlands	Retail	Freehold		51,555 m2	80,778,381	9.5%	5,035,883	10.2%	5,052,390	100%	6.2%
Total Portfolio							546,012 m2	854,432,318		49,593,655		57,831,288	88.7%	5.8%

Property details

Property Number	I
Property Type	Industrial
Number of Tenants	I
Total Floor Area	3,884 sqm
Year Built	1990
Market Val. (% of Total)	€ 3,425,000 (0.4%)
Gross Rent (% of Total)	€ 273,090 (0.6%)
ERV	€ 250,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	2
Property Type	Warehouse
Number of Tenants	I
Total Floor Area	8,017 sqm
Year Built	N/A
Market Val. (% of Total)	€ 2,375,000 (0.3%)
Gross Rent (% of Total)	€ 335,229 (0.7%)
ERV	€ 330,000
Tenure (Maturity)	Leasehold (28/02/35)
Occupancy	100%
Borrower*	I



Property Number	3
Property Type	Office
Number of Tenants	12
Total Floor Area	2,944 sqm
Year Built	1971
Market Val. (% of Total)	€ 8,835,000 (1.0%)
Gross Rent (% of Total)	€ 616,207 (1.2%)
ERV	€ 589,280
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	4
Property Type	Office
Number of Tenants	I
Total Floor Area	445 sqm
Year Built	1926
Market Val. (% of Total)	€ 2,670,000 (0.3%)
Gross Rent (% of Total)	€ 177,807 (0.4%)
ERV	€ 173,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	III



Property Number	5
Property Type	Office
Number of Tenants	1
Total Floor Area	475 sqm
Year Built	1926
Market Val. (% of Total)	€ 2,775,000 (0.3%)
Gross Rent (% of Total)	€ 191,157 (0.4%)
ERV	€ 181,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	III



Property Number	6
Property Type	Office
Number of Tenants	1
Total Floor Area	826 sqm
Year Built	1918
Market Val. (% of Total)	€ 4,915,000 (0.6%)
Gross Rent (% of Total)	€ 301,666 (0.6%)
ERV	€ 300,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	I



Property Number	7
Property Type	Office
Number of Tenants	1
Total Floor Area	11,091 sqm
Year Built	1989
Market Val. (% of Total)	€ 24,305,000 (2.8%)
Gross Rent (% of Total)	€ 1,705,929 (3.4%)
ERV	€ 1,915,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	I



Property Number	8
Property Type	Industrial
Number of Tenants	1
Total Floor Area	5,100 sqm
Year Built	1989
Market Val. (% of Total)	€ 5,855,000 (0.7%)
Gross Rent (% of Total)	€ 467,142 (0.9%)
ERV	€ 440,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	I



Property Number	9
Property Type	Mixed Use
Number of Tenants	4
Total Floor Area	4,864 sqm
Year Built	1991
Market Val. (% of Total)	€ 5,965,000 (0.7%)
Gross Rent (% of Total)	€ 355,424 (0.7%)
ERV	€ 430,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	81%
Borrower*	1



Property Number	10
Property Type	Warehouse
Number of Tenants	1
Total Floor Area	5,965 sqm
Year Built	1995
Market Val. (% of Total)	€ 4,750,000 (0.6%)
Gross Rent (% of Total)	€ 196,000 (0.4%)
ERV	€ 423,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	48%
Borrower*	1



Property Number	11
Property Type	Office
Number of Tenants	1
Total Floor Area	14,705 sqm
Year Built	2000
Market Val. (% of Total)	€ 15,465,000 (1.8%)
Gross Rent (% of Total)	€ 1,032,362 (2.1%)
ERV	€ 1,250,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	88%
Borrower*	1



Property Number	12
Property Type	Industrial
Number of Tenants	3
Total Floor Area	5,846 sqm
Year Built	1982
Market Val. (% of Total)	€ 6,185,000 (0.7%)
Gross Rent (% of Total)	€ 308,467 (0.6%)
ERV	€ 470,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	81%
Borrower*	1



Property Number	13
Property Type	Warehouse
Number of Tenants	5
Total Floor Area	10,146 sqm
Year Built	2002
Market Val. (% of Total)	€ 10,275,000 (1.2%)
Gross Rent (% of Total)	€ 646,514 (1.3%)
ERV	€ 787,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	80%
Borrower*	I



Property Number	14
Property Type	Industrial
Number of Tenants	10
Total Floor Area	7,356 sqm
Year Built	1991
Market Val. (% of Total)	€ 9,060,000 (1.1%)
Gross Rent (% of Total)	€ 608,016 (1.2%)
ERV	€ 650,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	94%
Borrower*	I



Property Number	15
Property Type	Warehouse
Number of Tenants	1
Total Floor Area	4,343 sqm
Year Built	1976
Market Val. (% of Total)	€ 2,540,000 (0.3%)
Gross Rent (% of Total)	€ 242,498 (0.5%)
ERV	€ 242,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	I



Property Number	16
Property Type	Retail
Number of Tenants	2
Total Floor Area	923 sqm
Year Built	N/A
Market Val. (% of Total)	€ 7,400,000 (0.9%)
Gross Rent (% of Total)	€ 342,571 (0.7%)
ERV	€ 340,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VI



Property Number	17
Property Type	Office
Number of Tenants	3
Total Floor Area	12,475 sqm
Year Built	N/A
Market Val. (% of Total)	€ 39,770,000 (4.7%)
Gross Rent (% of Total)	€ 1,305,462 (2.6%)
ERV	€ 2,350,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	70%
Borrower*	1



Property Number	18
Property Type	Industrial
Number of Tenants	3
Total Floor Area	50,456 sqm
Year Built	1992
Market Val. (% of Total)	€ 25,410,000 (3.0%)
Gross Rent (% of Total)	€ 2,216,435 (4.5%)
ERV	€ 2,580,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	95%
Borrower*	1



Property Number	19
Property Type	Office
Number of Tenants	0
Total Floor Area	6,500 sqm
Year Built	N/A
Market Val. (% of Total)	€ 7,290,000 (0.9%)
Gross Rent (% of Total)	€ 0 (0.0%)
ERV	€ 935,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	0%
Borrower*	1



Property Number	20
Property Type	Office
Number of Tenants	1
Total Floor Area	3,013 sqm
Year Built	1923
Market Val. (% of Total)	€ 25,410,000 (3.0%)
Gross Rent (% of Total)	€ 1,215,000 (2.4%)
ERV	€ 1,200,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	11



Property Number	21
Property Type	Office
Number of Tenants	2
Total Floor Area	10,286 sqm
Year Built	1968
Market Val. (% of Total)	€ 33,140,000 (3.9%)
Gross Rent (% of Total)	€ 2,233,988 (4.5%)
ERV	€ 2,145,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	I



Property Number	22
Property Type	Office
Number of Tenants	4
Total Floor Area	2,820 sqm
Year Built	N/A
Market Val. (% of Total)	€ 8,835,000 (1.0%)
Gross Rent (% of Total)	€ 79,628 (0.2%)
ERV	€ 605,000
Tenure (Maturity)	Freehold
Occupancy	13%
Borrower*	I



Property Number	23
Property Type	Retail
Number of Tenants	I
Total Floor Area	2,300 sqm
Year Built	N/A
Market Val. (% of Total)	€ 3,700,000 (0.4%)
Gross Rent (% of Total)	€ 225,471 (0.5%)
ERV	€ 230,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	24
Property Type	Retail
Number of Tenants	9
Total Floor Area	20,521 sqm
Year Built	1990
Market Val. (% of Total)	€ 26,510,000 (3.1%)
Gross Rent (% of Total)	€ 1,610,269 (3.2%)
ERV	€ 1,665,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	25
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,000 sqm
Year Built	1988
Market Val. (% of Total)	€ 410,000 (0.0%)
Gross Rent (% of Total)	€ 41,905 (0.1%)
ERV	€ 38,700
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	26
Property Type	Office
Number of Tenants	2
Total Floor Area	2,449 sqm
Year Built	1988
Market Val. (% of Total)	€ 2,560,000 (0.3%)
Gross Rent (% of Total)	€ 67,867 (0.1%)
ERV	€ 265,000
Tenure (Maturity)	Freehold
Occupancy	27%
Borrower*	1



Property Number	27
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,204 sqm
Year Built	1992
Market Val. (% of Total)	€ 1,105,000 (0.1%)
Gross Rent (% of Total)	€ 89,799 (0.2%)
ERV	€ 80,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	28
Property Type	Office
Number of Tenants	3
Total Floor Area	1,044 sqm
Year Built	1997
Market Val. (% of Total)	€ 1,630,000 (0.2%)
Gross Rent (% of Total)	€ 136,220 (0.3%)
ERV	€ 127,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	29
Property Type	Office
Number of Tenants	20
Total Floor Area	5,469 sqm
Year Built	1991
Market Val. (% of Total)	€ 11,045,000 (1.3%)
Gross Rent (% of Total)	€ 696,197 (1.4%)
ERV	€ 800,000
Tenure (Maturity)	Freehold
Occupancy	86%
Borrower*	I



Property Number	30
Property Type	Office
Number of Tenants	1
Total Floor Area	614 sqm
Year Built	N/A
Market Val. (% of Total)	€ 1,930,000 (0.2%)
Gross Rent (% of Total)	€ 103,686 (0.2%)
ERV	€ 101,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	31
Property Type	Office
Number of Tenants	1
Total Floor Area	665 sqm
Year Built	N/A
Market Val. (% of Total)	€ 1,855,000 (0.2%)
Gross Rent (% of Total)	€ 107,957 (0.2%)
ERV	€ 107,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	32
Property Type	Office
Number of Tenants	1
Total Floor Area	609 sqm
Year Built	N/A
Market Val. (% of Total)	€ 1,435,000 (0.2%)
Gross Rent (% of Total)	€ 88,490 (0.2%)
ERV	€ 88,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	II



Property Number	33
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,000 sqm
Year Built	N/A
Market Val. (% of Total)	€ 360,000 (0.0%)
Gross Rent (% of Total)	€ 34,048 (0.1%)
ERV	€ 35,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	34
Property Type	Industrial
Number of Tenants	1
Total Floor Area	30,000 sqm
Year Built	N/A
Market Val. (% of Total)	€ 8,035,000 (0.9%)
Gross Rent (% of Total)	€ 819,482 (1.7%)
ERV	€ 823,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	35
Property Type	Office
Number of Tenants	2
Total Floor Area	1,319 sqm
Year Built	1960
Market Val. (% of Total)	€ 1,025,000 (0.1%)
Gross Rent (% of Total)	€ 133,384 (0.3%)
ERV	€ 110,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VII



Property Number	36
Property Type	Residential
Number of Tenants	1
Total Floor Area	1,440 sqm
Year Built	1960
Market Val. (% of Total)	€ 3,070,000 (0.4%)
Gross Rent (% of Total)	€ 74,756 (0.2%)
ERV	€ 130,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VII



Property Number	37
Property Type	Office
Number of Tenants	1
Total Floor Area	1,408 sqm
Year Built	N/A
Market Val. (% of Total)	€ 2,705,000 (0.3%)
Gross Rent (% of Total)	€ 167,794 (0.3%)
ERV	€ 171,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	38
Property Type	Industrial
Number of Tenants	1
Total Floor Area	14,510 sqm
Year Built	N/A
Market Val. (% of Total)	€ 7,090,000 (0.8%)
Gross Rent (% of Total)	€ 617,712 (1.2%)
ERV	€ 620,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	39
Property Type	Office
Number of Tenants	10
Total Floor Area	13,841 sqm
Year Built	1992
Market Val. (% of Total)	€ 35,350,000 (4.1%)
Gross Rent (% of Total)	€ 2,510,077 (5.1%)
ERV	€ 2,050,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	V



Property Number	40
Property Type	Office
Number of Tenants	1
Total Floor Area	3,270 sqm
Year Built	1952
Market Val. (% of Total)	€ 8,835,000 (1.0%)
Gross Rent (% of Total)	€ 454,517 (0.9%)
ERV	€ 465,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VII



Property Number	41
Property Type	Office
Number of Tenants	3
Total Floor Area	10,971 sqm
Year Built	N/A
Market Val. (% of Total)	€ 18,115,000 (2.1%)
Gross Rent (% of Total)	€ 1,080,616 (2.2%)
ERV	€ 1,300,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	V



Property Number	42
Property Type	Warehouse
Number of Tenants	1
Total Floor Area	5,640 sqm
Year Built	1958
Market Val. (% of Total)	€ 1,535,000 (0.2%)
Gross Rent (% of Total)	€ 60,000 (0.1%)
ERV	€ 150,000
Tenure (Maturity)	Freehold
Occupancy	35%
Borrower*	I



Property Number	43
Property Type	Office
Number of Tenants	2
Total Floor Area	280 sqm
Year Built	1920
Market Val. (% of Total)	€ 485,000 (0.1%)
Gross Rent (% of Total)	€ 32,890 (0.1%)
ERV	€ 36,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	44
Property Type	Mixed Use
Number of Tenants	2
Total Floor Area	4,382 sqm
Year Built	1999
Market Val. (% of Total)	€ 9,390,000 (1.1%)
Gross Rent (% of Total)	€ 599,177 (1.2%)
ERV	€ 570,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	45
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,000 sqm
Year Built	1991
Market Val. (% of Total)	€ 670,000 (0.1%)
Gross Rent (% of Total)	€ 75,953 (0.2%)
ERV	€ 54,450
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	46
Property Type	Industrial
Number of Tenants	8
Total Floor Area	29,753 sqm
Year Built	N/A
Market Val. (% of Total)	€ 6,345,000 (0.7%)
Gross Rent (% of Total)	€ 718,569 (1.4%)
ERV	€ 1,200,000
Tenure (Maturity)	Freehold
Occupancy	58%
Borrower*	I



Property Number	47
Property Type	Industrial
Number of Tenants	1
Total Floor Area	825 sqm
Year Built	N/A
Market Val. (% of Total)	€ 355,000 (0.0%)
Gross Rent (% of Total)	€ 34,048 (0.1%)
ERV	€ 37,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	48
Property Type	Office
Number of Tenants	1
Total Floor Area	474 sqm
Year Built	N/A
Market Val. (% of Total)	€ 775,000 (0.1%)
Gross Rent (% of Total)	€ 49,301 (0.1%)
ERV	€ 48,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	49
Property Type	Office
Number of Tenants	0
Total Floor Area	1,735 sqm
Year Built	1995
Market Val. (% of Total)	€ 3,315,000 (0.4%)
Gross Rent (% of Total)	€ 0 (0.0%)
ERV	€ 247,150
Tenure (Maturity)	Freehold
Occupancy	0%
Borrower*	I



Property Number	50
Property Type	Industrial
Number of Tenants	0
Total Floor Area	1,800 sqm
Year Built	N/A
Market Val. (% of Total)	€ 595,000 (0.1%)
Gross Rent (% of Total)	€ 0 (0.0%)
ERV	€ 63,000
Tenure (Maturity)	Freehold
Occupancy	0%
Borrower*	I



Property Number	51
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,567 sqm
Year Built	1995
Market Val. (% of Total)	€ 970,000 (0.1%)
Gross Rent (% of Total)	€ 110,262 (0.2%)
ERV	€ 78,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	52
Property Type	Retail
Number of Tenants	51
Total Floor Area	23,770 sqm
Year Built	1978
Market Val. (% of Total)	€ 47,480,000 (5.6%)
Gross Rent (% of Total)	€ 2,632,508 (5.3%)
ERV	€ 2,900,000
Tenure (Maturity)	Freehold
Occupancy	88%
Borrower*	IV



Property Number	53
Property Type	Industrial
Number of Tenants	2
Total Floor Area	3,005 sqm
Year Built	N/A
Market Val. (% of Total)	€ 1,770,000 (0.2%)
Gross Rent (% of Total)	€ 129,373 (0.3%)
ERV	€ 135,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	54
Property Type	Warehouse
Number of Tenants	2
Total Floor Area	6,031 sqm
Year Built	N/A
Market Val. (% of Total)	€ 1,440,000 (0.2%)
Gross Rent (% of Total)	€ 143,587 (0.3%)
ERV	€ 136,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	55
Property Type	Retail
Number of Tenants	57
Total Floor Area	15,080 sqm
Year Built	1995
Market Val. (% of Total)	€ 50,815,000 (5.9%)
Gross Rent (% of Total)	€ 2,687,303 (5.4%)
ERV	€ 3,155,000
Tenure (Maturity)	Leasehold (12/04/93)
Occupancy	89%
Borrower*	V



Property Number	56
Property Type	Industrial
Number of Tenants	1
Total Floor Area	996 sqm
Year Built	1980
Market Val. (% of Total)	€ 345,000 (0.0%)
Gross Rent (% of Total)	€ 34,048 (0.1%)
ERV	€ 35,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	57
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,000 sqm
Year Built	N/A
Market Val. (% of Total)	€ 330,000 (0.0%)
Gross Rent (% of Total)	€ 34,048 (0.1%)
ERV	€ 35,000
Tenure	Freehold
Occupancy	100%
Borrower*	I



Property Number	58
Property Type	Warehouse
Number of Tenants	1
Total Floor Area	1,710 sqm
Year Built	N/A
Market Val. (% of Total)	€ 1,330,000 (0.2%)
Gross Rent (% of Total)	€ 108,962 (0.2%)
ERV	€ 113,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	59
Property Type	Residential
Number of Tenants	1
Total Floor Area	94 sqm
Year Built	1974
Market Val. (% of Total)	€ 170,000 (0.0%)
Gross Rent (% of Total)	€ 7,721 (0.0%)
ERV	€ 7,800
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	60
Property Type	Warehouse
Number of Tenants	1
Total Floor Area	3,020 sqm
Year Built	1981
Market Val. (% of Total)	€ 1,280,000 (0.1%)
Gross Rent (% of Total)	€ 110,057 (0.2%)
ERV	€ 115,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	61
Property Type	Office
Number of Tenants	4
Total Floor Area	3,776 sqm
Year Built	1968
Market Val. (% of Total)	€ 8,450,000 (1.0%)
Gross Rent (% of Total)	€ 615,813 (1.2%)
ERV	€ 585,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	62
Property Type	Office
Number of Tenants	1
Total Floor Area	981 sqm
Year Built	1904
Market Val. (% of Total)	€ 2,485,000 (0.3%)
Gross Rent (% of Total)	€ 156,258 (0.3%)
ERV	€ 157,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	II



Property Number	63
Property Type	Hotel
Number of Tenants	4
Total Floor Area	18,096 sqm
Year Built	1970
Market Val. (% of Total)	€ 38,665,000 (4.5%)
Gross Rent (% of Total)	€ 2,291,240 (4.6%)
ERV	€ 3,500,000
Tenure (Maturity)	Leasehold (01/01/70)
Occupancy	100%
Borrower*	I



Property Number	64
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,823 sqm
Year Built	1995
Market Val. (% of Total)	€ 2,045,000 (0.2%)
Gross Rent (% of Total)	€ 167,896 (0.3%)
ERV	€ 128,000
Tenure (Maturity)	Leasehold (perpetual)
Occupancy	100%
Borrower*	I



Property Number	65
Property Type	Office
Number of Tenants	1
Total Floor Area	378 sqm
Year Built	1913
Market Val. (% of Total)	€ 960,000 (0.1%)
Gross Rent (% of Total)	€ 62,341 (0.1%)
ERV	€ 60,000
Tenure	Freehold
Occupancy	100%
Borrower*	1



Property Number	66
Property Type	Office
Number of Tenants	1
Total Floor Area	408 sqm
Year Built	1904
Market Val. (% of Total)	€ 1,160,000 (0.1%)
Gross Rent (% of Total)	€ 69,003 (0.1%)
ERV	€ 70,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	67
Property Type	Residential
Number of Tenants	1
Total Floor Area	100
Year Built	1971
Market Val. (% of Total)	€ 240,000 (0.0%)
Gross Rent (% of Total)	€ 10,186 (0.0%)
ERV	€ 9,750
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	68
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,000 sqm
Year Built	1985
Market Val. (% of Total)	€ 330,000 (0.0%)
Gross Rent (% of Total)	€ 37,964 (0.1%)
ERV	€ 35,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	69
Property Type	Other
Number of Tenants	1
Total Floor Area	571 sqm
Year Built	N/A
Market Val. (% of Total)	€ 770,000 (0.1%)
Gross Rent (% of Total)	€ 9,893 (0.0%)
ERV	€ 9,893
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	70
Property Type	Office
Number of Tenants	9
Total Floor Area	30,296 sqm
Year Built	1979
Market Val. (% of Total)	€ 60,760,000 (7.1%)
Gross Rent (% of Total)	€ 3,145,767 (6.3%)
ERV	€ 4,385,000
Tenure (Maturity)	Freehold
Occupancy	72%
Borrower*	1



Property Number	71
Property Type	Mixed Use (Retail/Office)
Number of Tenants	36
Total Floor Area	9,435 sqm
Year Built	1972
Market Val. (% of Total)	€ 32,035,000 (3.7%)
Gross Rent (% of Total)	€ 1,521,516 (3.1%)
ERV	€ 1,927,000
Tenure (Maturity)	Freehold
Occupancy	84%
Borrower*	1



Property Number	72
Property Type	Office
Number of Tenants	1
Total Floor Area	642 sqm
Year Built	N/A
Market Val. (% of Total)	€ 985,000 (0.1%)
Gross Rent (% of Total)	€ 65,570 (0.1%)
ERV	€ 64,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	1



Property Number	73
Property Type	Industrial
Number of Tenants	1
Total Floor Area	1,000 sqm
Year Built	1974
Market Val. (% of Total)	€ 425,000 (0.0%)
Gross Rent (% of Total)	€ 39,286 (0.1%)
ERV	€ 40,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	I



Property Number	74
Property Type	Retail
Number of Tenants	1
Total Floor Area	22,675 sqm
Year Built	N/A
Market Val. (% of Total)	€ 70,681,084 (8.3%)
Gross Rent (% of Total)	€ 3,281,179 (6.6%)
ERV	€ 3,287,875
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VIII



Property Number	75
Property Type	Retail
Number of Tenants	1
Total Floor Area	8,000 sqm
Year Built	N/A
Market Val. (% of Total)	€ 16,267,868 (1.9%)
Gross Rent (% of Total)	€ 851,250 (1.7%)
ERV	€ 865,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VIII



Property Number	76
Property Type	Retail
Number of Tenants	1
Total Floor Area	7,000 sqm
Year Built	N/A
Market Val. (% of Total)	€ 14,584,985 (1.7%)
Gross Rent (% of Total)	€ 753,964 (1.5%)
ERV	€ 749,000
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VIII

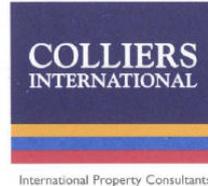


Property Number	77
Property Type	Retail
Number of Tenants	15
Total Floor Area	51,555 sqm
Year Built	1992/2000
Market Val. (% of Total)	€ 80,778,381 (9.5%)
Gross Rent (% of Total)	€ 5,035,883 (10.2%)
ERV	€ 5,052,390
Tenure (Maturity)	Freehold
Occupancy	100%
Borrower*	VIII



* Borrowers / Legal Owners:

I	Breevast Properties I B.V.
II	Portalen Monumenten B.V.
III	Breevast Monumenten (A) B.V.
IV	C.V. City Centrum Noviomagum
V	Breevast Vastgoed Exploitatie XXXII B.V.
VI	Beheer Nieuwendijk Amsterdam C.V.
VII	Beheer Stadhuisplein C.V.
VIII	B.V. De Veegtes IV



VALUATION CERTIFICATE
Portfolio Breevast & Veegtes

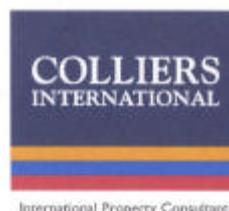
1. Mesdag (Delta) B.V.
2. Breevast BV
J.J. Viottastraat 39
1071 JP Amsterdam
3. Stichting Security Trustee Mesdag (Delta)
4. NIBC Bank N.V.
Carnegieplein 4
2517 KJ Den Haag

hereinafter referred to as the 'Addressees'

Instruction date : 27 July 2006
Valuation date : 1 December 2006
Elaboration date : 19 December 2006

Valuer : E. De Brauwer BRE MRICS RT and J.A.E.J. Schüssel RT
File number : 3702

Date 25 april 2007
dossiernumber 3702



VALUATION CERTIFICATE

The undersigned,

Josef, Adeodatus, Emma, Johannes Schüssel RT,
Property valuer registered with Stichting Vastgoed Cert in Rotterdam under number BV01.20.511.5.1601, employed
by Colliers International,

address : Parklaan 95
postcode : 5613 BC Eindhoven
telephone number : +31 (0)40 212 11 10
fax number : +31 (0)40 259 55 59
e-mail address : jschussel@colliers.nl

Edwin De Brauwere BRE MRICS RT,

Property valuer registered with Stichting Vastgoed Cert in Rotterdam under number BV01.20.503.5.0716, employed
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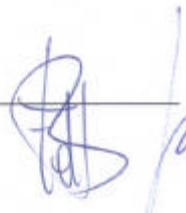
hereinafter referred to as the 'Valuers'

hereby certify that we valued as at the 1st of December 2006 the following
81 premises in a portfolio valuation comprising the group of properties mentioned in the list below and mentioned
in the stand alone valuation reports

but excluding furniture and sector-specific fixtures, unless stated otherwise,

hereinafter referred to as the 'Properties'.

Date 23 april 2007
dossiernumber 3702



Continuation of the valuation certificate Breevast B.V. & Veegtes

81 premises in a portfolio valuation:

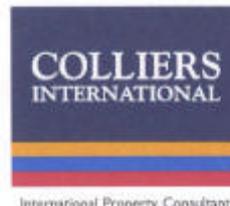
Address	Town/City	Value in the portfolio
Voorerf 29-33	Breda	€ 1,630,000
De Molen 94-98	Houten	€ 3,315,000
Boerhaavelaan 1/3/5/7	Zoetermeer	€ 60,760,000
Beneluxlaan 2-6	Utrecht	€ 8,450,000
Olmenlaan 2-44	Bussum	€ 11,045,000
Prinses Irenestraat 59-61	Amsterdam	€ 39,770,000
Frederiksplein 1	Amsterdam	€ 8,835,000
Weteringschans 165	Amsterdam	€ 8,835,000
Lemelerbergweg 28-29	Amsterdam	€ 4,750,000
Laarderhoogtweg 18-20	Amsterdam	€ 24,305,000
Lemelerbergweg 21-63	Amsterdam	€ 5,965,000
Lemelerbergweg 36-37	Amsterdam	€ 10,275,000
Lemelerbergweg 31-32	Amsterdam	€ 15,465,000
Lemelerbergweg 35	Amsterdam	€ 6,185,000
Lemelerbergweg 41-55	Amsterdam	€ 9,060,000
Lemelerbergweg 20	Amsterdam	€ 5,855,000
Venlosingel	Arnhem	€ 26,510,000
Algotweg 5	Amersfoort	€ 3,425,000
Poortweg 19	Bergen op Zoom	€ 1,105,000
Noordeinde 35	Den Haag	€ 1,930,000
Spui 12	Den Haag	€ 1,855,000
Keizersgracht 14	Eindhoven	€ 2,705,000
Gedempte Zuiderdiep 12	Groningen	€ 9,390,000
Enschedeestraat 45	Hengelo	€ 775,000
Potterstraat 4	Utrecht	€ 960,000
Vredenburg 27	Utrecht	€ 1,160,000
Keizerstraat 23	Deventer	€ 1,435,000
Domstraat 4	Utrecht	€ 2,485,000
Stadhouderskade	Amsterdam	€ 25,410,000
Werkmansbeemd	Oosterhout	€ 1,770,000
Niels Bohrweg	Utrecht	€ 2,045,000
Tersteeghering 3	Zwijndrecht	€ 985,000
Molenpoort 1	Nijmegen	€ 47,480,000
Meerzicht	Zoetermeer	€ 32,035,000
Jaarbeursplein 24	Utrecht	€ 38,665,000
Viottastraat 46-48	Amsterdam	€ 4,915,000
Lakenbleekstraat 13	Aalsmeer	€ 4,420,000
Basisweg 48	Amsterdam	€ 2,375,000
Heerlenstraat	Arnhem	€ 3,700,000
Moezelhavenweg 7	Amsterdam	€ 2,540,000
Scharenburg	Amsterdam	€ 25,410,000
Weesperstraat 107	Amsterdam	€ 33,140,000
Stadhuisplein 4	Eindhoven	€ 8,835,000
Nieuwendijk 200-202	Amsterdam	€ 7,400,000
Terheidenseweg 445-447	Breda	€ 9,170,000

 Date 23 april 2007
 dossiernummer 3702

Continuation of the valuation certificate Breevast B.V. & Veegtes

Vonderweg 11	Eindhoven	€ 18,115,000
Schimmelt 34	Eindhoven	€ 35,350,000
Orfeoschouw 38	Zoetermeer	€ 940,000
Nieuwe Passage	Schiedam	€ 50,815,000
Zuideinde 80	Barendrecht	€ 2,560,000
Langendijk 10	Eindhoven	€ 7,090,000
Langendijk 18	Eindhoven	€ 705,000
Ambachtweg 29	Mierlo	€ 970,000
Rondairestraat 17	Tilburg	€ 1,280,000
Ekkersrijt 4504	Son	€ 1,330,000
Zwaanstraat 1	Eindhoven	€ 1,535,000
Tussendiepen 2	Drachten	€ 8,035,000
Jan Campertstraat 5	Heerlen	€ 6,345,000
Geldropseweg 163-189	Eindhoven	€ 1,025,000
Geldropseweg 163-189	Eindhoven	€ 3,070,000
Slotermeerlaan 80	Amsterdam	€ 7,290,000
Viottastraat 39	Amsterdam	€ 2,775,000
Viottastraat 33	Amsterdam	€ 2,670,000
Laan van Rijnwijk 2	Zeist	€ 770,000
Talingsingel 26	Velp	€ 240,000
Ottersveen 107	Spijkenisse	€ 170,000
Molenstraat 1	Geldrop	€ 485,000
Oosteinde 11	Barendrecht	€ 410,000
Mercuriusstraat 38	Doetinchem	€ 360,000
Bingerweg 1	Haarlem	€ 670,000
Zuidijk 11	Helmond	€ 355,000
Klarenanstelerweg 14	Kerkrade	€ 595,000
Eikenburglaan 9	Rosmalen	€ 1,440,000
Industrieweg 5	Schijndel	€ 345,000
Edisonstraat 22-24	Sneek	€ 330,000
Papierbaan 13-15	Winschoten	€ 330,000
Curieweg 6	Zwolle	€ 425,000
Pampusweg 1, 2, 3 & 4	Muiden	€ 70,680,000
Snekertrekweg 21 & 23	Leeuwarden	€ 16,270,000
Keersomstraat 3, 5 & 7	Ede	€ 14,585,000
Nijmeegseweg 2-28	Venlo	€ 80,780,000

Date 23 april 2007
dossienumber 3702



Continuation of the valuation certificate Breevast B.V. & Veegtes

OBJECTIVE

This valuation is based on the following objective:

In accordance with the instructions of NIBC Bank N.V. to value a group of properties in a portfolio setting; situated in the Netherlands, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion into the present value referred to below, in connection with a mortgage loan as at 1 December 2006 (the "date of valuation") and for the purposes of inclusion of this report and valuation in a prospectus in relation to the notes to be issued by Mesdag (Delta) B.V..

PORTFOLIO VALUATION:

Taking the above objective into account, the aforementioned registered group of properties has the following portfolio value:

The value when sold by private treaty, largely encumbered by tenancy

in words: **€ 869,000,000 (purchasing costs payable by the purchaser)**
eight hundred sixty nine million euros purchasing costs payable by the purchaser

The market rent

in words: **€ 59,230,000**
fifty nine million two hundred thirty thousand euros

TERMS AND DEFINITIONS USED

The value when sold by private treaty, largely encumbered by tenancy

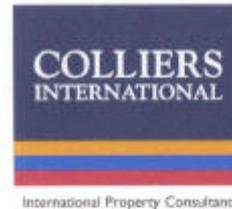
The price which would have been paid by the prospective purchaser (other than the tenant) making the best offer on the sale of the property by private treaty when put up for sale largely encumbered with tenancy and in the manner most suitable for the property concerned, after the best preparation.

The market rent

The estimated amount for which a property, or space within a property, should lease 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 each acted knowledgeably, prudently and without compulsion.

The value is exclusive of any VAT and transfer taxes of any country due.

Date 23 april 2007
dossiernumber 3702



Continuation of the valuation certificate Breevast B.V. & Veegtes

VALUATION BASES & ASSUMPTIONS

This valuation comprises a group of properties which are held by the client for investment purposes.

We have inspected both interior and exterior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or other structural defects. Moreover, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for any future developments. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have mostly assumed that the areas shown on the documents handed to us are correct.

This portfolio valuation report was drawn up after the properties specified in the attached descriptions and appendices, which form an integral part of this valuation report, were valued, at which time the following were also taken into account: the type of construction and materials used, the state of repair (in so far as this is visible to the naked eye), the location, the designated use, as well as other factors affecting the value. No liability will be accepted if the information provided proves to be incorrect or incomplete.

The following valuation methods were used:

- the rental value was determined using the comparative method. It was subsequently capitalized using the gross initial yield method and the net initial yield method;
- the determination of the operating costs was based on the actual municipal rates for property tax, on a presumed tax assessment basis, as well as estimates of other taxes, insurance, management and maintenance;
- the depreciated replacement cost method was used as a comparison with the capitalization method.

This valuation further assumes that:

- no negative environmental aspects relating to soil pollution, air pollution or processed materials apply to the parcel, which environmental aspects may affect the value of the valued Properties in the short or long term, unless stated otherwise hereinafter. The valuation does not include any cost for remediation of contamination / pollution. On specific request we didn't do any structural survey.
- the state of repair of the (technical) systems present in the Properties is such that any periodic government approval required can be obtained without any significant investments;
- no improvements or repairs in, on or to the Properties have been prescribed or announced by the government or utility companies;
- the Properties have been built or refurbished and put into use with the relevant permits required;

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dossiernumber 3702

A handwritten signature in blue ink, consisting of a stylized monogram and a vertical line extending upwards.

Continuation of the valuation certificate Breevast B.V. & Veegtes

- the group of properties are valued stand-alone in a portfolio setting. The values include a portfolio premium.
- for the properties which encumbered with tenancy we assumed that:
 -) the lessee(s) remain(s) financially able to fulfil the rental obligations;
 -) there are no rent arrears / is no breach of contract or that the lease has been terminated;
 -) there is no moratorium / involuntary liquidation of the lessee(s).This portfolio valuation is based on all the letting details provided by the Client in the rent roll and partly from tenancy agreements and on the assumption that these details are correct.

SIGNATURE

This valuation report is intended for the exclusive use of the addressees named in this report and for the purpose for which it was prepared. No liability whatsoever will consequently be accepted if the report is used by third parties, unless written permission thereto has been granted.

Any liability is limited to the amount which is paid out under the professional liability policy (Nassau Verzekering Maatschappij N.V., Rotterdam) in the matter concerned.

Carried out in good faith and to the best of our knowledge and ability.

Eindhoven, 23 April 2007

Colliers International

E. De Brauwer BRE MRICS RT

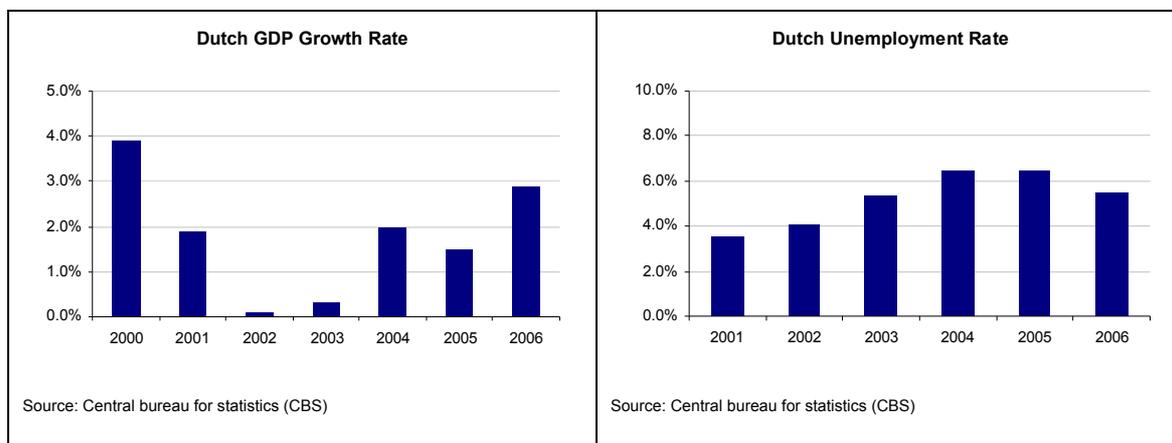
J.A.E.J. Schlüssel RT

The text indicated above is the text of the valuation report prepared by Colliers International Eindhoven, a (the "**Valuer**") addressed to the parties named therein. The information above has been accurately reproduced and the Valuer has consented to this reproduction in the Offering Circular. As far as the Issuer is aware and is able to ascertain from information provided by the Valuer no facts have been omitted which would render the reproduced information inaccurate or misleading.

DUTCH REAL ESTATE MARKET OVERVIEW

The Dutch real estate market is closely linked to the economic circumstances in the Netherlands. The most recent figures for economic growth from the Centrum Bureau of Statistics (CBS) show that 2006 saw an end to the recessionary situation of the past five years with a GDP growth of 2.9%. It is expected that the economy will further grow by 2.7% in 2007 and 2008, which is predominantly caused by increasing domestic expenditure and exports. The volume of exports of goods and services was 7.5 percent higher in 2006 than in 2005. After correction for price changes and changes in the health insurance system, consumer spending was up 2.4 percent in 2006 compared to 2005 (Source: CBS, CPB).

The improving economy is having a positive impact on the labour market. For the first time since 2002 employment is improving again. In 2006 it increased by approximately 80,000 fulltime equivalent jobs, an increase of 1.3%. As a result, the unemployment percentage is expected to fall from 6.5% in 2005 to 4.7% in 2007, which is one of the lowest in the EU (Source: CBS, CPB).

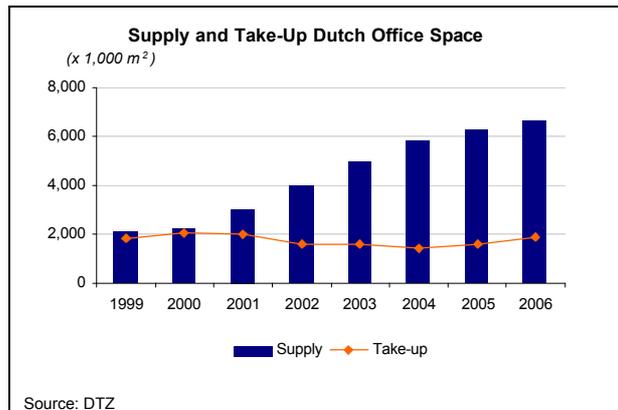


The nature of the open economy of the Netherlands entails that the national economy strongly relates to surrounding and even global economies. Developments in the Dutch real estate market have to be viewed in this context.

Dutch Office Market

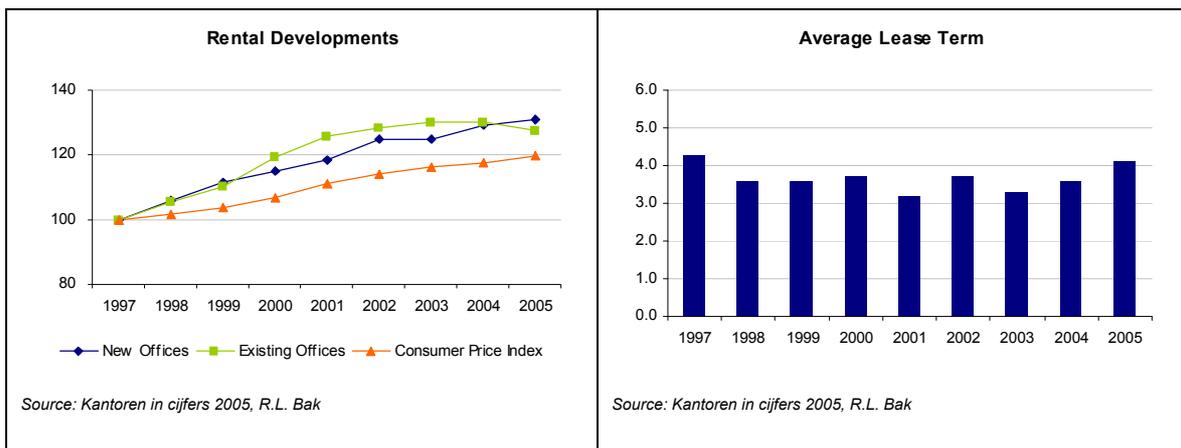
Currently the Dutch office market is ambiguous. On the one hand office users are starting to move, which has resulted in an increase demand for office space. Especially in the better parts of the Randstad area, which have shown substantial increases in take-up levels in the past years. This demand mostly comprises well located good quality office space. On the other hand, several Dutch municipalities are still suffering from increasing or steady substantial vacancy rates and negative net absorption. Cumulative vacancy rates are estimated at 12-13%. This phenomenon has been caused by the demand of tenants, who tend to choose for good quality buildings on A-locations and are willing to pay up for that.

In the first half year of 2006, the office supply has increased with 4.3% to almost 6.6 million m² compared to 2005. Particularly, the supply of larger premises (≥5000m²) has increased significantly from 2003 to 2006. 2006 showed a recovery in demand. In total close to 2 million square meters of office space was taken up in 2006. The recovery was prompted by an improving economy. According to the second quarter research of Dynamis the total office supply is expected to decrease in 2007, for the first time since ten years.



According to the Dutch Association of development companies 750.000 square meters has been developed in 2005 and constructed office space in 2006 amounted 625.000 square meters. This is the lowest level in percentage of the total development in the last 20 years. Currently real estate developers are constructing on request and speculative developing without prearranged tenants rarely happens. Acceleration of the economy could result into a strong take-up of existing office space, since new development will require some years to catch up.

In general there is a healthy demand for attractive buildings at strong locations. Top rental prices increased to Eur 325 per square meter, which is paid for the Amsterdam South Axis area and around Schiphol airport. The quality of the premises in the current market is the most distinctive element.



As can be seen in the graph rental prices have increased from 1997 to 2005 above Consumer Price Index (CPI).

If we look at the average term of rental agreements, we expect that the increasing trend since 2003 will continue and that incentives to tenants will decrease as the demand for good quality

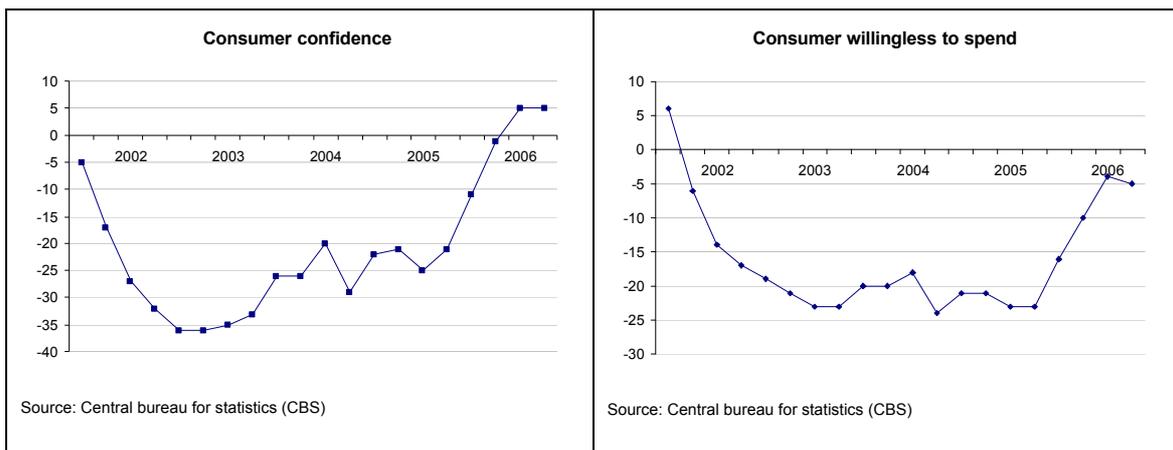
office space is growing. According to leading broker agencies, the expectation for 2007 is that the rental prices on national level for good quality office buildings will further increase. For less located and less quality office buildings they expect a slight rental decrease for 2007.

Dutch Retail Market

The total retail space in the Netherlands comprises approximately 26 million square meters. Shopping areas in the city centres are still the main locations for retail space, while dedicated shopping areas outside the city centres are growing in number. Furniture boulevards and factory outlet areas form the fastest growing out-of-town sectors. Supply has been fairly stable over the last four years and currently amounts to 794,000 square meters. Take-up last year amounted to approximately 614,000 square meters a strong increase of more than 40% compare to 2005, but still below the levels of previous years.

Currently the nationwide vacancy rate is around 3% of total stock, which reflects the positive market for retail properties. Structural vacancies are rare. Vacancies on A-locations are mainly temporarily and are mostly caused by impractical, small floor areas within the vacant premises or by other characteristics that do not suit the big retail chains (for example: location category).

After some years of declining consumer purchasing power, the trend has been reversed. Both consumer confidence and the willingness to spend both have increased as demonstrated by the graphs below.



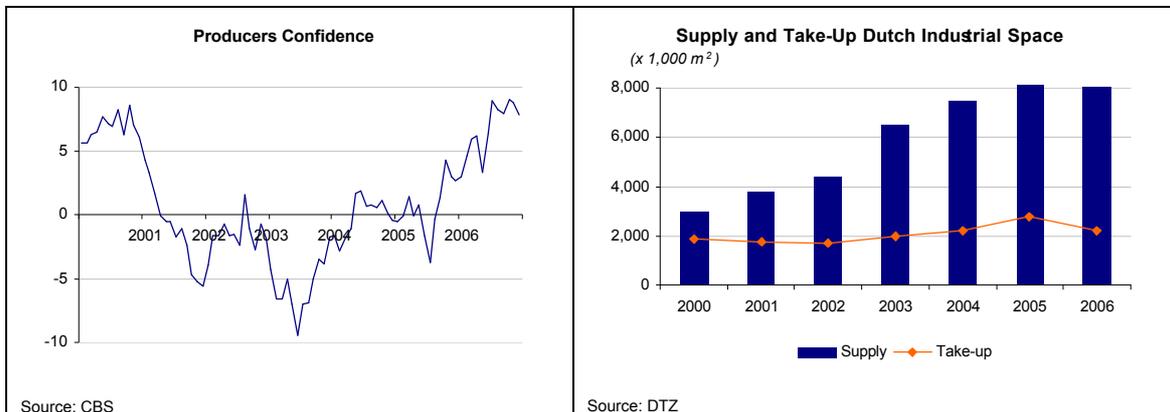
Most retail locations showed stable rental levels in 2006. A few real prime retail locations in large cities achieved a slight increase. Rental levels at secondary locations were somewhat under strain due to increased vacancies at these locations.

There is a total of 3.4 million square meters of new retail development planned for the coming years, which is more than 12% of the current retail stock. Compared to last year, there are relatively many plans for large-scale and peripheral retail locations, which is the result of the new planning policy. In total 1.6 million square meters of large-scale and peripheral retail is planned, which is up 14 % compared to last year. The plans for new shopping centre

developments show only a slight increase (1.3%) to 1.8 million square meters (source: Vastgoedmarkt).

The appetite for investments in real estate for retail purposes in Continental Europe remained strong in the past few years. Demand came from private investors, funds and institutional investors. However, the supply of good retail real estate was scarce.

As a result of increased demand for retail real estate investments, net initial yields showed a decreasing trend, notably at prime retail locations. Net initial yields for prime retail locations in large cities in the Netherlands went down from 5.0% - 6.0% by the end of 2004 to 4.0% - 5.0% by the end of 2006. In medium-sized cities, net initial yields for prime retail locations were between 4.5% - 5.5%, whereas net initial yields for moderate retail locations remained stable or decreased only slightly.



The demand for high-quality industrial property remains strong and the changes in the industrial property market are taking place primarily in the large-scale segment. There is a strong preference for objects close to large cities and major transport axes. This has resulted in yields for prime objects below 7%. On the other hand the demand for low quality and smaller spaces has deteriorated, which has further suffered from new developments.

Especially the market for industrial real estate is subject to changes in economy. Globalisation and deindustrialisation has led to increasing opportunities in logistics, whereas other sectors have experienced a reduction as a result of outsourcing of production to low-wage countries for example.

Vacancies are estimated to be below 5% and industrial spaces on A-locations predominantly tend to be vacant on a temporarily basis only, whereas some local outdated industrial areas show structural vacancies too. Rents go from Eur 25 to as high as Eur 90 per square meter, with a weighted average rent in 2006 of Eur 45. Rents can differ quite significant though depending on location, whereby the Randstad area remains the most expensive part of the Netherlands.

THE TENANTS

The Properties of the Portfolio are occupied by 300 tenants on the Cut-Off Date (based on information provided by the Valuer and the Property Manager). 47.0% of the tenants (or parent company) is rated by at least one rating agency. The total gross passing rent of these tenants is € 49,593,655. The Properties are 11.3 per cent vacant (based on net lettable floor area). The weighted average lease term of the lease contracts is 6.9 years (excluding vacancies, based on gross passing rents). In the next table the time to expiry of the lease contracts is presented weighted by the gross passing rent.

Time to expiry (years)	Percentage of contracts (gross passing rent)
0-1	12.1%
1-2	11.9%
2-3	6.9%
3-4	13.8%
4-5	14.3%
5-6	8.0%
6-7	0.7%
7>	32.3%

The top-15 tenants are the following (based on gross passing rent):

Name	Rating (S&P/F/M)	Business	Gross Rent (€)	% of Total	WAULT (years)	NLA (sqm)
1. Schuitema ¹	BBB-/BB+/Ba1 ²	Food / Retail	7,587,532	15.3%	15.5	59,507
2. NH Hoteles	NR	Hotel	2,273,593	4.6%	32.8	18,096
3. Municipality Amsterdam (CWI)	AAA/Aaa/AAA	Government	1,968,000	4.0%	9.8	8,992
4. Honeywell	A/A+/A2	Technology	1,705,929	3.4%	1.4	11,091
5. P2 Displays	NR	Industrial	1,289,000	2.6%	4.8	32,035
6. ING Bank	AA-/AA-/Aa2	Finance	1,282,700	2.6%	4.8	7,359
7. Philips ³	A-/A-/A3	Technology	1,260,622	2.5%	2.4	34,757
8. Abvakabo FNV	NR	Trade union	1,144,286	2.3%	4.3	8,875
9. CBRE	BB+/NR/Ba1	Real Estate	1,115,000	2.2%	9.8	3,013
10. Breevast ³	NR	Real Estate	839,804	1.7%	4.1	7,037
11. SNS Reaal	A-/NR/A2	Finance	811,739	1.6%	4.8	5,074
12. Rabobank	AAA/AA+/Aaa	Finance	733,384	1.5%	1.2	3,996
13. Atos Origin	NR	Technology	697,647	1.4%	0.7	7,645
14. G-Star	NR	Retail	677,229	1.4%	3.4	10,800
15. Randstad	NR	Employment	622,599	1.3%	5.7	4,703
Subtotal			24,018,104	48.4%	10.8	222,980
Other			25,575,553	51.6%	3.2	323,032
Total			49,593,657	100%	6.9	546,012

1. Tenant occupies more than one property with several master lease contracts

2. Rating of Koninklijke Ahold N.V. (73% shareholder)

3. Tenant occupies more than one property

SERVICING

The Servicer

Each of the Issuer, each Subordinated Lender and the Issuer Security Trustee 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 Senior Loan and the Subordinated Loan and Hatfield Philips International Limited as the initial special server of each the Senior Loan and the Subordinated Loan, in each case to have responsibility for, *inter alia*, the administration, management, servicing and special servicing, as applicable, of the Whole Loan and the Issuer Security (which comprises the Loan Security). The Servicer will perform the day-to-day servicing of each Loan 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 Security Agent and Facility Agent will also delegate the performance of its functions as the agent under the Facilities 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 Whole Loan

The Servicer and (where applicable) the Special Servicer will agree to service or specially service, as the case may be, the Whole Loan in a diligent manner in the best interests of and for the benefit of the Issuer and the Noteholders (as determined by the Servicer or the Special Servicer, as the case may be, in its good faith and reasonable judgment) and the Subordinated Lenders (as a collective whole, but taking into account the subordination of the related Subordinated Loan) in accordance with the following (in the order of priority set forth herein) (the "**Servicing Standard**"):

- (a) any applicable laws and regulations;
- (b) the terms of the Finance Documents and the Intercreditor Deed;
- (c) the terms of the Servicing Agreement;

and to the extent consistent with the foregoing in accordance with the higher of:

- (i) in the same manner and with the same skill, care and diligence it applies in servicing similar loans for other third parties; and
- (ii) the standard of care, skill and diligence which it applies in servicing commercial mortgage loans in its own portfolio,

in each case with a view to the timely collection of all sums due in respect of a Loan and if a Loan Event of Default occurs, and if in the good faith and reasonable judgement of the Special Servicer, no satisfactory arrangements can be made, the maximisation of timely recovery of principal and interest on a net present value basis of a Loan to the Lenders (as a collective whole, but taking into account the subordination of each Subordinated Lender to the Issuer which may result in a loss being suffered by the relevant Subordinated Lender in circumstances where the Issuer suffers no loss or a lesser loss), in any case, without regard to any potential conflicts of interest specified in the following paragraph.

Each of the Servicer and the Special Servicer is required to adhere to the above standards without regard to any fees or other compensation to which it is entitled, any relationship it or any of its affiliates may have with any party to the transactions in respect of the transactions entered into in connection with the Transaction Documents or the issue, or the ownership of, any Note or any interest in a Subordinated Loan by the Servicer or either Special Servicer or any affiliate thereof. Each of the Servicer and the Special Servicer or any of its affiliates may become the owner or otherwise hold an interest in the Notes or the Subordinated Loan with the same rights as each would have if it were not the Servicer or the Special Servicer as the case may be. Any such interest of the Servicer or the Special Servicer in the Notes or the Subordinated Loan will not in itself be considered to be a breach of the Servicing Standard.

Roles of the Servicer and Special Servicer

The Servicer will initially be responsible for the servicing and administration of the Senior Loan and the Subordinated Loan (each a "**Loan**" and collectively the "**Whole Loan**").

The Servicer will promptly give notice to the Issuer, the Security Agent, the Facility Agent, the Subordinated Lenders, the Issuer Security Trustee, the Controlling Party (or, if the Controlling Class is the Controlling Party, the Operating Advisor, if appointed) and the Special Servicer of the occurrence of any of the following events in respect of a Loan (each a "**Special Servicing Event**"):

- (a) a payment default occurring with regards to any payment due on a Loan on the Loan Maturity Date (taking into account any extensions to its maturity permitted under the Servicing Agreement);
- (b) any other payment default occurring in respect of any amount due and payable under the Facilities Agreement where such amount remains outstanding for sixty (60) days or more;
- (c) a Borrower becoming the subject of any bankruptcy or similar proceedings or a suspension of payments (*surséance van betaling*) being imposed;
- (d) the Servicer, Special Servicer or the Security Agent, as applicable, has received a notice of enforcement or proposed enforcement of any Loan Security; or

- (e) any Default is occurring which is not cured within the applicable cure period or which in the reasonable opinion of the Servicer is not likely to be cured within thirty (30) days, that would, in the opinion of the Servicer, be likely to have a material adverse effect upon the Issuer, the Noteholders, the Subordinated Lenders, the Whole Loan or the Loan Security.

Upon the delivery of such notice, the Whole Loan will become "**Specially Serviced**".

If the Whole Loan is Specially Serviced, the Whole Loan will become a "**Specially Serviced Loan**" (provided that in the case of conflict as to whether a Special Servicing Event has occurred and is continuing, the opinion of the Servicer will prevail) and the Servicer will continue to service the Whole Loan in all respects (including, among other things and without limitation, collection of information, preparing of reports and administrative functions), provided that the Special Servicer will assume certain special servicing functions with respect to the Whole Loan which are contemplated to be performed by the Special Servicer and such Whole Loan will become a Specially Serviced Loan (and accordingly a Special Servicing Fee will be payable with regard to such Loan). However, the Whole Loan may not become a Specially Serviced Loan (and no Special Servicing Fee will accrue on the Whole Loan) at any time that a Subordinated Lender is exercising, or is capable of exercising within the applicable cure period, its cure right pursuant to the Intercreditor Deed, but solely to the extent that such Special Servicing Event relates specifically to the matter being cured.

After the Whole Loan has become a Specially Serviced Loan, the Special Servicer will transfer all servicing back to the Servicer if and when a Special Servicing Event is no longer continuing with respect to the Whole Loan, at which time the Whole Loan will be a "**Corrected Loan**". A Special Servicing Event will cease to exist when (i) no monetary Special Servicer Event has occurred for two (2) consecutive interest periods and the facts giving rise to any other Special Servicer Event have ceased to exist and no other matter exists which would give rise to that loan becoming a Specially Serviced Loan. Similarly, if, in relation to a relevant event in respect of the Whole Loan, the relevant Subordinated Lender makes a Cure Payment in respect of the relevant Loan, the making of such payment or exercise of other cure rights will prevent the occurrence of a Special Servicer Event or will lead to the retransfer of servicing responsibility in respect of the relevant Loan to 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.

Controlling Class and Controlling Party

The "**Controlling Class**" means, at any time:

- (a) the holders of the most junior Class of Notes (other than the Class X Notes) 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).

The Issuer Security Trustee shall determine in accordance with the Servicing Agreement which class of Notes meets the above mentioned test and shall notify the Servicer and Special Servicer in writing accordingly.

The "**Controlling Party**" means:

- (a) for as long as a Control Valuation Event (as defined below) is not continuing, the Subordinated Lender(s) in respect of the Whole Loan; and
- (b) for as long as a Control Valuation Event is continuing, the Controlling Class.

The Servicer or Special Servicer, as the case may be, will determine the Controlling Party with respect to the Whole Loan, and will inform the Servicer and the Issuer Security Trustee thereof. The Servicer or Special Servicer, as the case may be, and the Issuer Security Trustee will be entitled to rely on the Servicer's or Special Servicer's, as the case may be, determination and will have no liability to the Issuer, the Noteholders or the Subordinated Lenders for any action taken or for refraining from taking any action in good faith pursuant to the Servicing Agreement in reliance thereon.

For the purpose of the foregoing "**Control Valuation Event**" will occur if and for so long as:

- (a) the difference between:
 - (i) the then outstanding principal balance of the Subordinated Loan; and
 - (ii) any Valuation Reduction Amount with respect to the Whole Loan,
 is less than
- (b) 25 per cent. of the then outstanding principal balance of the Subordinated Loan.

A "**Valuation Reduction Amount**" with respect to the Whole Loan will be an amount equal to the excess of

- (a) the aggregate outstanding principal balance of the Whole Loan, *over*

- (b) an amount equal to:
- (i) the excess of 90 per cent. of the sum of the values set forth in the Control Valuation (as defined below) or the Properties securing the Whole Loan (including all amounts standing to the credit of the Control Accounts or similar amount which may be applied toward payments on the Whole Loan); *over*
 - (ii) the sum of:
 - (A) to the extent that interest has not been advanced by the Liquidity Facility Provider, all unpaid interest on the Whole Loan;
 - (B) all unreimbursed Property Protection Loans and Hedging Loans made in relation to the Whole Loan;
 - (C) any other unpaid fees, expenses and other amounts of the Security Agent, the Facility Agent, Servicer, the Special Servicer or the Issuer Security Trustee that are payable prior to the Notes; and
 - (D) all currently due and unpaid ground rents, insurance premia and taxes due on the Properties and all other amounts due and unpaid with respect to the Whole Loan.

Calculation of Valuation Reduction Amount and determination of the Control Valuation

Upon receipt by the Servicer or Special Servicer, as applicable, of notice or upon it otherwise becoming aware of the occurrence of a Valuation Event (as defined below), the Servicer or Special Servicer, as applicable, will calculate the Valuation Reduction Amount based on the most recent Available Property Valuation. Notwithstanding that the value of a Property may have reduced since the last valuation, the Servicer or Special Servicer, as applicable, will not obtain a new valuation for the purposes of determining whether a Control Valuation Event has occurred except if the Servicer or Special Servicer, as applicable, acting in accordance with the Servicing Standard, is of the opinion that there are material and justifiable reasons to require an independent valuer to prepare and deliver an updated valuation. The cost of such an updated valuation shall be paid by the Issuer (only from the proceeds of the Whole Loan).

On the first Notes Interest Payment Date occurring on or after the delivery of the later relevant updated valuation, the Servicer or Special Servicer, as applicable, will adjust the Valuation Reduction Amount to take into account the relevant valuation and will promptly provide the Servicer and the related Subordinated Lenders with such calculations.

The valuation or the update of a valuation as described above is hereinafter referred to as the "**Control Valuation**".

For the purpose of the above, a "**Valuation**" means:

- (a) the date on which an amendment or modification is entered into with respect to a Loan which adversely affects in the reasonable opinion of the Servicer or Special Servicer, as applicable, any material economic term of the Whole Loan;
- (b) the 40th day following the occurrence of any uncured failure to make a scheduled payment with respect to the Whole Loan, as applicable;
- (c) the occurrence of any payment default on a Whole Loan, as applicable at its maturity date (unless such maturity date has been extended by the Servicer or Special Servicer, as applicable, but is not the result of a workout or other material adverse event relating to the Whole Loan, as applicable, the Properties or a Borrower, as determined by the Servicer or the Special Servicer, in its reasonable opinion); or
- (d) receipt of notice that an Obligor has become subject to any insolvency proceedings or the date on which a receiver or administrator is appointed and continues in such capacity in respect of such Obligor or a Property or sixty (60) days after such Obligor becomes the subject of involuntary insolvency proceedings and such proceedings are not dismissed.

Rights of the Controlling Party

The Servicer or the Special Servicer, as applicable, will be required to consult with the related Controlling Party (or, if the Controlling Class is the Controlling Party, the Operating Advisor, if appointed) with respect to proposals for it to take any significant action (as determined by the Servicer or Special Servicer, as applicable) with respect to the Whole Loan or the Loan Security and to consider alternative actions recommended by such Controlling Party (or, if the Controlling Class is the Controlling Party, the Operating Advisor, if appointed). The Servicer or Special Servicer, as applicable, shall also, as soon as reasonably practicable, inform the Issuer Security Trustee of the result of any consultation with a Controlling Party (or, if the Controlling Class is the Controlling Party, the Operating Advisor, if appointed), provided, however, that neither the Servicer nor the Special Servicer will be bound by any advice, direction, instruction or objection of the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) with respect to such proposed action.

In addition, the Special Servicer or the Servicer, prior to taking or consenting to any of the following actions with respect to the Whole Loan will be required, among other things, to receive the written approval of the Controlling Party (or, if the Controlling Class is the Controlling Party, the Operating Advisor, if appointed) (a copy of which approval the Servicer or the Special Servicer shall promptly forward to the Issuer Security Trustee) of its intention to take certain decisions in relation to the Whole Loan, including to:

- (a) make an amendment to the Facilities Agreement which would result in the extension or shortening of the final maturity date;

- (b) modify the interest rate on all or any part thereof;
- (c) modify the amount or timing of any payment of interest or principal;
- (d) forgive any interest or principal;
- (e) waive or reduce any late payment charge or default interest;
- (f) except in the event a Material Event of Default is outstanding and continuing, commence formal enforcement proceedings in respect of the Loan Security for the repayment of the Whole Loan, including the appointment of a receiver or administrator or similar or analogous proceedings;
- (g) waive a Loan Event of Default;
- (h) approve a restructuring plan in the insolvency of an Obligor;
- (i) modify any provision of the Finance Documents relating to any of the following:
 - (i) reserve requirements (if any);
 - (ii) rent collection;
 - (iii) cash management;
 - (iv) financial covenants;
 - (v) hedging requirements;
 - (vi) insurance requirements;
 - (vii) the basis on which all or any part of the Loan Security may be released or substituted;
 - (viii) the basis on which all or any of the Obligors, as applicable, may be released from their obligations under any Finance Document; and
 - (ix) the basis on which further encumbrances over a Property securing the Whole Loan may be created,

provided that no such consent will be required if any such action relates to a Permitted Restructuring.

The Special Servicer or the Servicer, as applicable, must notify the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) in advance of any action it intends to take with regard to the matters set out above. The Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) will have five (5) Business Days to respond to the Special Servicer or the Servicer, as applicable. If the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) does not respond within such five (5) Business Days, its approval will be deemed to have been given and the Special Servicer or the Servicer, as applicable, may take (or direct the Servicer to take) whatever action it reasonably considers necessary in accordance with the Servicing Standard without further approval from the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed). If the Special Servicer or the Servicer, as applicable, does take any such action, it must notify the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) of the action as soon as practicable (and in any event within five (5) Business Days of taking such action) and must consult with such Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) regarding any further action relating to such action that it considers should be taken in the interests of the Noteholders and the relevant Subordinated Lender.

In addition to the above, (i) the Servicer or Special Servicer, as applicable, will not be obliged to further consult with the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) for any action if for thirty (30) days following notice of such matter, the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) has objected to the proposed action and has failed to suggest any alternative action that the Servicer or Special Servicer, as applicable, considers to be consistent with the Servicing Standard; or (ii) if the Servicer or Special Servicer, as applicable, determines, in accordance with the Servicing Standard, that immediate action (or action in a shorter time period) is necessary to protect the interests of the Noteholders and the Subordinated Lenders (as a collective whole, but taking into account the subordination in priority of the Subordinated Loan), the Servicer or Special Servicer, as applicable, may take any such action without waiting for the Controlling Party's (or, if the Operating Class is the Controlling Party, the Operating Advisor's, if appointed) response. If the Servicer or Special Servicer, as applicable, does take such action and the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) objects in writing to the actions taken within ten (10) Business Days after being notified of the action and being provided with all reasonably requested information, the Servicer or Special Servicer, as applicable, must take due account of the advice and representations made by the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) regarding any further steps that it considers should be taken in the interest of the Noteholders and the Subordinated Lenders (as a collective whole, but taking into account the subordination in priority of the Subordinated Loan).

The views of a Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) in relation to any amendment, waiver or approval in respect of which its consent must be obtained may differ from those of the Issuer, the Noteholders, the

Servicer or Special Servicer, as applicable, and may prevent the Servicer, but not the Special Servicer, from taking, on behalf of the Issuer, as Senior Lender in respect of the relevant Whole Loan actions which it would otherwise consider appropriate to take in accordance with the Servicing Agreement, as the case may be. The Special Servicer may respond to such requests or grant any such consents without the consent of the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) provided that, in doing so, it is acting in accordance with the Servicing Standard.

Notwithstanding any right of the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) to provide any direction to the Servicer or Special Servicer, or to approve or disapprove of, or right to give direction to or to consent or withhold consent to, any action of the Servicer or Special Servicer, in no event will the Servicer or the Special Servicer, as applicable, be obliged or permitted to take any action or refrain from taking any action that would violate any law of any applicable jurisdiction and/or which would be, in the opinion of the Servicer or the Special Servicer, as applicable, inconsistent with the Servicing Standard or violate any provisions of the Finance Documents or the Intercreditor Deed. In addition, neither the Servicer nor the Special Servicer shall have any liability to any other entity for any action taken, or for refraining from taking any action, or for giving any consent, in each case in accordance with any directions or instructions given by the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) or a Subordinated Lender to the Servicer or, as the case may be, the Special Servicer.

Where there is a conflict between the opinion of the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) and the Servicer or Special Servicer, as applicable, the opinion of the Servicer or Special Servicer will prevail, where, in the reasonable opinion of the Servicer or Special Servicer, as applicable, there is a conflict with the Servicing Standard and the other terms of the Finance Documents.

No Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) shall have liability to any other entity for any action taken, or for refraining from the taking of any action, or the giving of any consent or the failure to give any consent in good faith pursuant to the Servicing Agreement, or for errors in judgment.

Appointment of Operating Advisor

The Conditions and the Servicing Agreement permit a Controlling Class to appoint a representative (the "**Operating Advisor**") to represent the interests of the Controlling Class, with such appointment effective upon written notice to the Issuer Security Trustee, the Issuer, the Servicer and the Special Servicer (attaching a copy of the instrument appointing the Operating Advisor).

If notification of the appointment of an Operating Adviser has taken place (and has been notified to the Servicer and Special Servicer), the Special Servicer must notify and consult with the Operating Adviser as representative of the Controlling Class, if the Controlling Class will be the Controlling Party.

The Operating Adviser will have no liability to the Issuer, the Security Agent, or the Issuer Security Trustee for any action taken, or for refraining from the taking of any action, in good faith pursuant to the Servicing Agreement, or for errors in judgment.

Each Noteholder acknowledges and agrees, by its purchase of the Notes, that:

- (a) an Operating Advisor elected by the Controlling Class may have special relationships and interests that conflict with those of the holders of one or more classes of the Notes;
- (b) an Operating Advisor elected by the Controlling Class may act solely in the interests of the Controlling Class;
- (c) an Operating Advisor elected by the Controlling Class does not have any duties to any Noteholders;
- (d) an Operating Advisor elected by the Controlling Class may take actions that favour the interests of the Controlling Class over the interests of the other Noteholders;
- (e) an Operating Advisor elected by the Controlling Class 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
- (f) an Operating Advisor elected by the Controlling Class will have no liability whatsoever for having acted solely in the interests of the Controlling Class, and no holder of any class of Notes may take any action whatsoever against the Operating Advisor for having so acted.

Periodic reporting

Pursuant to the Servicing Agreement the Servicer will deliver, at the expense of the Issuer, an annual review in respect of the Borrowers and the Whole Loan in accordance with the Servicing Standard. The Servicer or, as the case may be, the Special Servicer, is authorised to conduct this review process more frequently, at the expense of the Issuer, if the Servicer or, as the case may be, the Special Servicer, acting in accordance with the Servicing Standard, has cause for concern as to the ability of any Obligor to meet its financial obligations under the Finance Documents. Such a review (annual or otherwise) may include an inspection of the Properties and will include consideration of the quality of the cash flow arising from the Properties and a compliance check of each Obligor's covenants under the Facilities Agreement. In addition, the Servicer shall, at the expense of the Issuer, prepare quarterly reports, including:

- (a) a report (the "**Quarterly Information Report**") available on the second Business Day prior to each Notes Interest Payment Date (each a "**Servicer Reporting Date**") setting forth, *inter alia*, quarterly payments received by the Issuer in respect of the Senior Loan and the aggregate amounts to be paid to each Class of Noteholders; and

- (b) a report (the "**Investor Report**") (available on www.assetbacked.nl) on each Notes Interest Payment Date, containing (i) general information in relation to the Whole Loan (ii) information regarding the Properties based on the information provided by the Property Manager on behalf of the Borrowers and (iii) certain other qualitative and quantitative information on the Whole Loan, including details of any material changes that may affect the credit quality and the details of any delegation of any of the Servicer's and/or Special Servicer's obligations or duties.

Copies of the report under (a) and the annual inspection will be made available to the Issuer, the Issuer Security Trustee, the Special Servicer, the Paying Agents and the Rating Agencies

Insurance

The Servicer will monitor the arrangements for insurance which relate to the Whole Loan and the Loan Security and establishes and maintains procedures to ensure that all Insurance Policies in respect of the Properties are renewed on a timely basis.

To the extent that the Issuer and/or the Security Agent has power to do so under an Insurance Policy, the Servicer will, as soon as practicable after becoming aware of any occurrence of any event giving rise to a claim under such policy, prepare and submit such claim on behalf of (and for the benefit of) the Issuer and/or the Security Trustee in accordance with the terms and conditions of such policy and complies with any requirements of the relevant insurer.

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

Upon receipt of notice that any Insurance Policy has lapsed or that the Properties are otherwise not insured in accordance with the terms of the Finance Documents, the Servicer will, at the cost of the Borrower, arrange such insurance in accordance with the terms of the Finance Documents.

Modifications, Waivers, Amendments, Consents and Substitution

The Servicer (or the Special Servicer, as the case may be) will be responsible for responding to requests for consent to modifications, waivers or amendments relating to the Facilities Agreement and the other Finance Documents, or granting any consent requested by any Obligor under the Finance Documents, subject to the rights of the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) as described above. The Facility Agent or Security Agent, as applicable, is required to provide the Servicer or Special Servicer, as applicable, with any request by an Obligor made to the Facility Agent or

Security Agent rather than the Servicer or the Special Servicer for a modification, waiver or amendment of the Facilities Agreement within three (3) Business Days of receipt of such request together with any relevant information relating to such request which may be reasonably required by the Servicer or Special Servicer, as the case may be, to perform its obligations under the Servicing Agreements.

With respect to requests for consents, modifications, waivers or amendments not contemplated by the Finance Documents, the Servicer or Special Servicer, as appropriate, may, subject to the rights of the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed), exercise its discretion and agree to the request provided that:

- (a) the granting of consent would be in accordance with the Servicing Standard; and
- (b) the consent:
 - (i) if granted would, in the reasonable opinion of the Servicer or, as the case may be, the Special Servicer, not have a material adverse effect on the interests of Noteholders and any related Subordinated Lender (as a collective whole but taking into account the subordination in priority of the Subordinated Loan); or
 - (ii) if granted would, in the reasonable opinion of the Servicer or, as the case may be, Special Servicer, produce an aggregate greater recovery to the Noteholders and any Subordinated Lender (as a collective whole but taking into account the subordination of the Subordinated Loan) on a net present value basis than liquidation of the Properties, as determined by the Servicer or Special Servicer, in accordance with the Servicing Standard; or
 - (iii) has been the subject of written confirmation from the Rating Agencies that it would not cause the downgrade, qualification or withdrawal of the then current ratings of any class of Notes (such an event, an "**Adverse Rating Event**"), unless the Issuer Security Trustee, acting on the instructions (by way of Extraordinary Resolution (including a written resolution)) of each class of Noteholders whose Notes would be subject to an Adverse Rating Event, has confirmed that such consent may be given.

Notwithstanding the above, no modification, waiver or amendment may be made to any of the Finance Documents that would:

- (a) require the making of a further advance to a Borrower or Obligor; or
- (b) extend the Loan Maturity Date beyond the date that is three (3) years before the Maturity Date of the Notes without the consent of each class of Noteholders by way of Extraordinary Resolution; or

- (c) have the effect to permit (other than in respect of a Permitted Restructuring) the assignment or substitution or transfer of a controlling interest in any Borrower or the assumption of any Borrower's obligations by any other person, unless such assignment, substitution or transfer relates to a Permitted Restructuring or is otherwise permitted under the Facilities Agreement.

The Servicer and the Special Servicer will each be required to deposit in the relevant mortgage file an original counterpart of any agreement relating to a modification, waiver or amendment agreed to by it promptly following its execution and to forward a copy to the Issuer, the Security Agent, the Issuer Security Trustee, any Subordinated Lender and the Rating Agencies. Upon reasonable prior written notice to the Servicer, copies of each agreement by which any modification, waiver or amendment of any term of a Finance Document is effected are required to be available for review during normal business hours at the offices of the Servicer.

The Servicer or, if the Whole Loan is Specially Serviced, the Special Servicer may agree to any request by an Obligor 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 the Whole Loan is Specially Serviced, the Special Servicer may modify or amend the terms of the 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.

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 an Obligor pays 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, the Security Agent or the Facility Agent in connection with any waivers or amendments made to any 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.

Calculation of amounts and payments

On each Notes Calculation Date (being the third Business Day prior to the relevant Notes Interest Payment Date) (the "**Notes Calculation Date**"), the Servicer will be required to determine the various amounts required to pay interest and principal due on the Notes on the forthcoming Notes Interest Payment Date and all other amounts then payable by the Issuer, and the amounts expected to be available to make such payments and will calculate the Principal Amount Outstanding for each Class of Notes for the Notes Interest Period commencing on such forthcoming Notes Interest Payment Date and request the making of any Income Deficiency

Drawings (including Income Deficiency Drawings to fund a Hedging Loan and/or Property Protection Loan (if appropriate)) on behalf of the Issuer.

In addition, on each Notes Interest Payment Date, the Servicer will determine and pay on behalf of the Issuer out of the Notes Interest Available Amount and receipts of scheduled principal in respect of the Senior Loan determined by the Servicer to be available for such purposes as described above, each of the payments required to be paid pursuant to and in the priority set forth in the Trust Deed.

Subject to receipt of funds from an Obligor in respect of a Senior Loan, the Servicer will make all payments required to carry out redemption of the Notes pursuant to Condition 6 (see further Terms and *Conditions of the Notes* below).

If the Servicer, acting on the basis of information provided to it determines, on any Notes Calculation Date, that the amount of the Notes Interest Available Amount 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) up to and including (i) of the Interest Priority of Payments, the Servicer will make a drawing under the Liquidity Facility (see further section *Credit Structure – Liquidity Facility* above).

Servicing Fee, Special Servicing Fee, Liquidation Fee and Workout Fee

The Servicer will be entitled to receive a fee, payable by the Issuer and the Subordinated Lenders, for servicing the Whole Loan, which fee (the "**Servicing Fee**"), together with the fees payable by the Issuer to NIBC acting in its capacity as Principal Paying Agent and Calculation Agent, will be equal to € 100,000 (plus VAT, if applicable) per annum but only to the extent that the Issuer has sufficient funds to pay such amount (see *Credit Structure – Issuer Priority of Payments*). The Servicing Fee will be payable by the Issuer in four equal instalments quarterly on each Notes Interest Payment Date.

Pursuant to the Servicing Agreement, the Issuer and the Subordinated Lenders will be required to pay to the Special Servicer a fee (the "**Special Servicing Fee**") consisting of (i) an annual fixed fee in the amount of EUR 1,500 (plus VAT, if applicable) payable on the Notes Interest Payment Date falling in January of each year, and (ii) for as long as the Whole Loan is Specially Serviced, a fee equal to 0.15 per cent. per annum (plus any value added tax) of the aggregate outstanding principal balance of the Whole Loan for each day that the Whole Loan is designated Specially Serviced. The Special Servicing Fee will be paid in addition to the Servicing Fee. The Special Servicing Fee will accrue on a daily basis over the relevant period and will be payable on each Notes Interest Payment Date commencing with the Notes Interest Payment Date following the date on which the Whole Loan is designated to be Specially Serviced and ending on the Notes Interest Payment Date following the date on which the Properties are sold on foreclosure or the date on which the Whole Loan is designated to be a Corrected Loan.

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

- (a) the Whole Loan is repaid in full;
- (b) a Final Recovery Determination is made with respect to the Whole Loan;
- (c) the Senior Loan is purchased by a Subordinated Lender pursuant to the terms of the Intercreditor Deed; or
- (d) the Senior Loan is repurchased by the Initial Lender pursuant to the terms of the Loan Transfer Agreement.

In addition to the Special Servicing Fee, the Special Servicer will be entitled to a fee (the "**Liquidation Fee**") with respect to a Specially Serviced Loan based on the proceeds of the sale of the Whole Loan or any part of the Property in connection with an enforcement of the Issuer Security, in each case, net of any costs and expenses (such proceeds, "**Liquidation Proceeds**"). The amount of the Liquidation Fee payable by the Issuer and the Subordinated Lenders in respect of a Specially Serviced Loan will be equal to 0.75 per cent. (plus VAT, if applicable) of the net proceeds. The Liquidation Fee is payable on the Notes Interest Payment Date following the receipt of Liquidation Proceeds in priority to the Notes; provided, however, that no Liquidation Fee will be payable in connection with the exercise by a Subordinated Lender of its right to acquire the Senior Loan pursuant to the terms of the Intercreditor Deed or by the Initial Lender of its right to repurchase the Senior Loan pursuant to the terms of the Loan Transfer Agreement; provided that (a) the Subordinated Lender or, as the case may be, the Initial Lender notifies the Special Servicer that it intends to acquire or, as the case may be, repurchase the Senior within thirty (30) days of having been notified that its right to purchase or, as the case may be, repurchase the Senior Loan has arisen and (b) any Subordinated Lender or, as the case may be, the Initial Lender, acquires the Loan within sixty (60) days of having so notified the Special Servicer of its intention to purchase. Although the Liquidation Fee is intended to provide the Special Servicer with an incentive to perform its duties better, the payment of any Liquidation Fee will reduce amounts payable to the Noteholders.

In addition to the Special Servicing Fee and the Liquidation Fee (if any), the Special Servicer will in respect of a Specially Serviced Loan be entitled to receive a fee (the "**Workout Fee**") in consideration of providing services in relation to the Whole Loan when it is designated to be a Corrected Loan. When the Whole Loan is designated to be a Corrected Loan, the VAT-exclusive amount of the Workout Fee shall be equal to 0.35 per cent. of each collection of principal and interest received the Whole Loan for so long as it continues to be designated a Corrected Loan. The Workout Fee with respect to the Whole Loan will cease to be payable if the relevant Loan is no longer designated to be a Corrected Loan, but the Workout Fee will become payable if and when the relevant Loan is again designated to be a Corrected Loan.

The Servicer and the Special Servicer will be required to pay their respective overhead costs and any general and administrative expenses incurred by them in connection with their servicing activities under the Servicing Agreements and will, in general, not be entitled to reimbursement for such expenses. However, on each Notes Interest Payment Date, the Servicer and the Special Servicer, are entitled to be reimbursed (with interest thereon at the customary rate) in respect of certain out-of-pocket costs, expenses and charges properly incurred by it in the performance of its servicing obligations. Such costs and expenses are payable by the Issuer and (with respect to any Subordinated Loan) the relevant Subordinated Lender on the Notes Interest Payment Date following the Loan Interest Period during which they are incurred by the Servicer or the Special Servicer, as applicable, or in the case of fees and expenses which are paid directly by an Obligor, on the date which such fees and expenses are collected from the relevant Obligor or out of any Insurance Proceeds or Disposal Proceeds.

The Servicing Fee, the Special Servicing Fee, the Liquidation Fee and the Workout Fee payable by the Issuer (and, as between the Issuer and the Subordinated Lenders pursuant to the terms of the Intercreditor Deed, the Subordinated Lenders) are payable in priority to the Notes and to amounts due to the Issuer or the Subordinated Lenders, both before and after the enforcement of the Issuer Security, provided that each of these fees will only be payable to the extent that the Issuer has sufficient funds to pay such amount (see section *Credit Structure – Issuer Priority of Payments*). The Intercreditor Deed provides that, on each Loan Interest Payment Date, the fees and expenses payable to the Servicer and the Special Servicer on the next Notes Interest Payment Date will be provided for before any payments of principal, interest or other amounts are paid to the Issuer (as Senior Lender) or the Subordinated Lenders. If the amount due to the Servicer and/or the Special Servicer is greater than the amount received from the Obligors, the Issuer may make good the relevant shortfall from Notes Interest Available Amounts (which amounts may represent the proceeds of a drawing pursuant to the Liquidity Facility Agreement).

The Issuer will be entitled to be reimbursed by the Subordinated Lenders in respect of any such payment together with interest at the rate payable by the Issuer on the relevant Liquidity Drawing (if such payment is made by the Issuer using the proceeds of a Liquidity Drawing) from amounts payable under the Subordinated Loan on each following Notes Interest Payment Date, until the Issuer has been reimbursed in full, with interest at the appropriate rate.

Removal or resignation of the Servicer or the Special Servicer

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

- (a) the Servicer or the Special Servicer, as the case may be, defaults in making any payment due and payable by it under the Servicing Agreement or any other Transaction Document to which it is a party and such default continues for a period of five (5) Business Days after the earlier of:

- (i) the Servicer or the Special Servicer, respectively, becoming aware of such default; and
 - (ii) receipt by the Servicer or the Special Servicer, respectively, of written notice by the Issuer Security Trustee requiring the same to be remedied;
- (b) default (other than a failure to pay) is made by the Servicer or the Special Servicer in the performance or observance of any of its other covenants and obligations under the Servicing Agreement, or breach of any of the representations and warranties of the Servicer or the Special Servicer contained in the Servicing Agreement, which in the opinion of the Issuer Security Trustee is materially prejudicial to the interests of the holders of any Class of Noteholders or the Subordinated Lenders and such default continues unremedied for a period of thirty (30) days after receipt by the Servicer or the Special Servicer of written notice from the Issuer Security Trustee requiring the same to be remedied, or such longer time (but no longer than (ninety) 90 days) as the Issuer Security Trustee may agree is necessary to cure the relevant breach, provided that the Servicer or the Special Servicer is proceeding with all due diligence required to cure such breach;
- (c) the Servicer or the Special Servicer ceases to service commercial mortgage loans in Europe;
- (d) except in connection with a reorganisation permitted pursuant to the Transaction Documents, a petition for the winding-up of the Servicer or the Special Servicer has been filed, the Servicer or the Special Servicer stops payment of its debts or the Servicer or the Special Servicer is deemed unable to pay its debts within the meaning of the insolvency laws applicable to such entity or becomes unable to pay its debts as they fall due, a moratorium or a suspension of payments is granted to the Servicer or the Special Servicer or the Servicer or the Special Servicer otherwise becomes insolvent or bankrupt (any such event, a "**Servicer Insolvency Event**");
- (e) it becomes unlawful for the Servicer or the Special Servicer to perform any material part of the Services except in circumstances where no other person could perform such material part of the Services lawfully; or
- (f) if any Rating Agency gives notice that the continued appointment of the Servicer or Special Servicer is likely to result in or does result in an adverse effect on the then current ratings assigned to the Notes outstanding.

In addition, subject to the fulfilment of certain conditions including, without limitation, that a substitute servicer or special servicer has been appointed, the Servicer or Special Servicer may voluntarily resign by giving not less than three (3) months' notice of termination to the Issuer, the Rating Agencies and the Issuer Security Trustee.

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

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

The appointment of the Special Servicer may also be terminated (i) by the Issuer upon the Controlling Party (or, if the Operating Class is the Controlling Party, the Operating Advisor, if appointed) notifying the Issuer that it requires a replacement Special Servicer to be appointed or (ii) by the Issuer Security Trustee after the occurrence of a Note Event of Default if so directed in writing by a resolution of the majority holder of the Class of Noteholders than acting as the Controlling Class. Each such termination shall be subject to the procedures set out in the Servicing Agreement.

Delegation by the Servicer and Special Servicer

The Servicer and the Special Servicer may enter into sub-servicing agreements in respect 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 adversely affect the then current rating assigned to the Notes, (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

certain conditions, the terms of the proposed arrangements do not impose, seek to impose or have the effect of imposing on the Issuer and/or the Issuer Security 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 thereunder 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 the Servicing Agreement.

General

Notwithstanding the foregoing, neither the Servicer or the Special Servicer will be liable for any obligation of the Obligors under the Facilities Agreement, the Loan Security or Issuer Security, have any liability to any third party for the obligations of the Issuer, any Subordinated Lender under the relevant Intercreditor Deed or the Issuer Security Trustee under the Notes or any of the Transaction Documents or the Subscription Agreement or have any liability to the Issuer, the Issuer Security Trustee, the Noteholders or any other person for any failure by the Issuer to make any payment due by it under the Notes or any of these documents, except as provided in the Servicing Agreement.

Governing law

The Servicing Agreement will be governed by Dutch law.

ISSUER

MESDAG (Delta) B.V. (the "**Issuer**") was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 21 May 2007 under number BV 1432986, as a special purpose vehicle for the purpose of issuing asset backed securities. The corporate seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Issuer is registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34274423.

The objectives of the Issuer are set out in the articles of association (*statuten*) and are, *inter alia*, to (i) provide loans, as well as to conduct the management of, to dispose of and to encumber the rights as result from the loans and to exercise any rights connected to such loans, (ii) take up loans - by way of issue of securities or by granting participations, or by entering into loan agreements - to acquire the loans mentioned under (i), (iii) invest and on-lend any funds held by the Issuer, (iv) hedge interest rate and other financial risks amongst others by entering into derivatives agreements, including swap agreements and option agreements and (v) if incidental to the foregoing, (a) take up loans, amongst others to repay the obligations under any securities mentioned under (ii), and (b) grant and release security rights, and (vi) perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer was established for the limited purposes of the issue of the Notes, the granting the Senior Loan and certain related transactions described elsewhere in this Offering Circular. The Issuer operates under Dutch law, provided that it may enter into contracts which are governed by the laws of another jurisdiction than the Netherlands.

The Issuer has an authorised share capital of € 18,000 of which € 18,000 has been issued and is fully paid. All shares of the Issuer are held by the Shareholder.

Stichting Holding MESDAG CMBS ("**Shareholder**") is a foundation (*stichting*) incorporated under the laws of the Netherlands on 15 November 2007 and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34236561. The objectives of Shareholder are to, *inter alia*, acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The Trust Deed contains various covenants in respect of the shareholding by the Shareholder. Among other covenants, the Shareholder has agreed to, until all amounts payable by the Issuer under the Notes and under any of the other Transaction Documents to which the Issuer is a party have been paid or written off in full, the Shareholder shall (i) not amend the articles of association of the Issuer, without the prior written consent of the Issuer Security Trustee, (ii) be and continue to be the sole shareholder of the Issuer, (iii) not resolve (a) to issue any additional shares in the capital of the Issuer or (b) to transfer shares in the capital of the Issuer or (c) to grant rights to third parties to acquire shares in the capital of the Issuer or (d) to pledge, dispose of or encumber in any other way the shares in the capital of the Issuer and (iv) exercise its

voting and other shareholder rights and powers (if any) in accordance with the Issuer's obligations under the Transaction Documents and/or as otherwise instructed by the Issuer Security Trustee.

The sole managing director of each of the Issuer and the Shareholder is ATC Management B.V. ATC Management B.V. has elected domicile at the registered office of the Issuer at Frederik Roeskestraat 123, 1076 EE Amsterdam, telephone number +31 20 5771177. The managing directors of ATC Management B.V. are J.H. Scholts and A.G.M. Nagelmaker.

The objectives of ATC Management B.V. are (a) advising of and mediation by financial and related transactions, (b) finance company, and (c) management of legal entities.

The Director of the Issuer will, under the terms of a management agreement to be entered into on or about the Closing Date between the Issuer, the Issuer Security Trustee and the Director of the Issuer provide certain corporate services to the Issuer.

The relevant management agreement may be terminated by either the Issuer or the Director of the Issuer upon three (3) months' written notice. In addition, the Issuer Security Trustee shall also have the right to terminate the relevant 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 relevant management agreement and fails to remedy the same within five (5) Business 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.

ATC Management B.V. belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole Director of the Issuer Security Trustee. Therefore, a conflict of interest may arise. In this respect it is of note that in the management agreements entered into by each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director (*statutair directeur*) should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or to the then current ratings assigned to the Notes outstanding. In addition each of the Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the Issuer, and/or the Shareholder and/or Stichting Security Trustee other than the Transaction Documents to which it is a party, without the prior written consent of the Stichting Security Trustee.

The Issuer has the corporate power and capacity to issue the Notes, to on-lend funds to the Borrowers and to enter into and perform the obligations under the Transaction Documents.

Since the date of its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits

and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Offering Circular, (ii) been involved in any governmental, legal or arbitration proceedings which may have a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer and (iii) prepared any financial statements, as at the date of this Offering Circular.

The financial year of the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2008.

Act on the Financial Supervision

The Issuer is not subject to any licence requirement under Section 2:11 of the Act on the Financial Supervision as amended, due to the fact that the Notes will be offered solely to professional market parties (*professionele marktpartijen*) within the meaning of Section 1:1 of the Act on the Financial Supervision, as amended from time to time and Section 3 of the Decree Definitions Act on the Financial Supervision (*Besluit definitiebepalingen Wet op het financieel toezicht*) (each a "PMP").

Capitalisation

The following table shows the capitalisation of the Issuer as of 21 May 2007 as adjusted to give effect to the issue of the Notes. Copies of the deed of incorporation and the articles of association of the Issuer may be obtained at the specified offices of the Issuer and at the specified offices of the each of the Paying Agents during normal business hours.

Share Capital

Authorised Share Capital	€ 18,000
Issued Share Capital	€ 18,000

Borrowings

Senior Class A Notes	€	398,150,000
Class X Notes	€	50,000
Mezzanine Class B Notes	€	47,100,000
Mezzanine Class C Notes	€	53,550,000
Junior Class D Notes	€	64,300,000
Junior Class E Notes	€	49,200,000
Subordinated Class F Notes	€	26,050,000

Auditors' Confirmation

The following is the text of a report received by the board of managing directors of the Issuer from PricewaterhouseCoopers Accountants N.V., the accountants of which are a member of Royal Dutch Institute for registered accountants (*Koninklijk Nederlands Instituut van Register Accountants*) and the auditors to the Issuer. This information below has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information provided by

PricewaterhouseCoopers Accountants N.V. no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the Management Board of MESDAG (Delta) B.V.:

23 July 2007

Dear Sirs,

Following your request, we advise you as follows:

1. As per the deed of incorporation, MESDAG (Delta) B.V. (the "**Issuer**") was incorporated on 21 May 2007 under number BV 1432986 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, including the contemplated issue of:
 - € 398,150,000 Senior Class A Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.;
 - € 50,000 Class X Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.;
 - € 47,100,000 Mezzanine Class B Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.;
 - € 53,550,000 Mezzanine Class C Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.;
 - € 64,300,000 Junior Class D Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.;
 - € 49,200,000 Junior Class E Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.;
 - € 26,050,000 Subordinated Class F Commercial Mortgage-Backed Floating Rate Notes due 2020, issue price 100 per cent.

- (d) 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.A.M. Stael RA

USE OF PROCEEDS

The net proceeds of the Notes to be issued on the Closing Date amount to € 638,400,000. The proceeds of the issue of the Notes (other than the Class X Notes) will be used to pay the consideration for the Senior Loan by the Issuer to the Original Lender of the Senior Loan subject to and in accordance with the Loan Transfer Agreement. The proceeds of the issue of the Class X Notes will be deposited into the Class X Principal Account, which account will be available to pay principal only on the Class X Notes when such principal is due in accordance with the Conditions.

DESCRIPTION OF SECURITY

Loan Security

Borrower Parallel debt

Pursuant to Facilities Agreement, each Obligor has irrevocably and unconditionally undertaken (to the extent necessary in advance (*bij voorbaat*)) to pay to the Security Agent, an amount equal to the amount of each payment obligation of that Obligor under the Finance Documents, both actual and contingent and whether incurred solely or jointly as principal or surety or in any other capacity (the "**Borrower Parallel Debt**"). The parallel debt undertaking constitutes a separate and independent obligation of each of the Obligors and constitutes the Security Agent's own separate and independent claim to receive payment of the Borrower Parallel Debt from each of the Obligors. Upon receipt by the Security Agent of any amount in payment of the parallel debt undertaking, the payment obligations of each of the Obligors to the Lender, the Security Agent, the Facility Agent and the Borrower Swap Counterparty (collectively the "**Finance Parties**") shall be reduced by an amount equal to the amount so received and vice versa. To the extent that the Security Agent irrevocably receives any amount in payment of the parallel debt undertaking, the Security Agent shall distribute such amount among the Finance Parties in accordance with terms in respect of the Borrower Priority of Payments (see Section *Credit Structure - Borrower Accounts* above).

Borrower Security Documents

Each Facility and the Borrower Parallel Debt will be secured by the following Borrower Security Documents.

Pledge over Lease Receivables

On or about the Loan Closing Date the Borrowers and the Security Agent entered into a deed of pledge (the "**Lease Receivables Pledge Agreement**") pursuant to which the Borrowers have created a first ranking undisclosed right of pledge in favour of the Security Agent over any present or future right, interest, claim or receivable to which a Borrower is or becomes entitled under any present or future Lease Document (including any Occupational Lease) it may enter into, including in respect of any rental income that is payable by the tenant under the Occupational Lease.

Future Occupational Lease

Under Dutch law no valid and enforceable undisclosed right of pledge can be created on the Loan Closing Date in advance over rights and receivables under future Occupational Leases. Therefore the Borrower will be obliged to periodically grant additional rights of pledge over these future Occupational Leases or, if earlier, upon first request of the Facility Agent by way of a supplemental deed.

Under the Lease Receivables Pledge Agreement, the pledgee will be entitled to notify the relevant tenants of the existence of such security rights upon the occurrence of a Loan Event of Default or as such time as the pledgee deems necessary or desirable to protect its interests under the Lease Receivables Pledge Agreement. After such notification the pledgee will, amongst others, be exclusively entitled to collect (*innen*) these rights and receivables. Under Dutch law, only the holder of a first ranking right of pledge, therefore the Security Agent will have the right after notification to the account debtors to collect payments of these rights and receivables.

Mortgage over Properties

Pursuant to the deed of mortgage entered into on or about the Loan Closing Date, and as amended, supplemented or restated, each Borrower and the Guarantor has created a first ranking mortgage right in favour of NIBC in its capacity as Security Agent over the relevant Properties. The right of mortgage is accompanied by a right of pledge on any moveable property relating to the relevant mortgaged property.

In addition, pursuant to the Telined Mortgage, Telined Beheer B.V. has prior to the Closing Date created a first ranking mortgage right in favour of the Security Agent over the Property listed in item 63 of the description of Properties in the section *Description of Properties*.

Substitute Properties

Under Dutch law no valid and enforceable rights of mortgage can be created on the Loan Closing Date in advance over any future real properties which a Borrower acquires after such date. Therefore if a Borrower acquires any Substitute Property, it will be obliged to grant a right of mortgage over such Substitute Property in the form of the first ranking mortgage as a condition to and at the time of that acquisition.

Pledge over Borrower Accounts

On or about the Loan Closing Date the relevant Obligor, the Accounts Agent and the Security Agent entered into a deed of pledge (the "**Borrower Bank Accounts Pledge Agreement**") pursuant to which each relevant Obligor has create a first ranking disclosed right of pledge in favour of the Security Agent over all its present and future rights and receivables in respect of the relevant Borrower Account.

Future rights and receivables

Under Dutch law, no valid and enforceable disclosed rights of pledge can be created on the Loan Closing Date in advance over rights and receivables in respect of future bank accounts that are opened after the date of execution of the relevant pledge agreement. To the extent the Borrower is entitled to open any new bank accounts after the Loan Closing Date, the Borrower are obliged to grant additional rights of pledge over these future bank accounts or upon first request of the Security Agent by way of a supplemental deed.

Pledge over shares in the Borrower and partnership interest

On or about the Loan Closing Date the Parent, the Borrowers (to the extent it is a private company with limited liability) and the Security Agent entered into a deed of pledge (the "**Share Pledge Agreement**") pursuant to which the Parent has created a first ranking right of pledge in favour of the Security Agent over all its present and future shares in the capital of the Borrowers (to the extent such Borrower is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*)). In addition, on the Loan Closing Date, among other parties, the Parent, the Borrowers (to the extent it is a limited partnership), the Security Agent and the relevant partners of such Borrower entered into a deed of pledge ("**Partnership Interest Pledge Agreement**"), pursuant to which the relevant partners pledged their respective interest in the relevant Borrowers,

Voting rights & Dividends

Pursuant to the Share Pledge Agreement each of the Parent and the relevant Borrowers remains authorised to use the voting rights attached to the shares in the relevant Borrower subject to the resolving condition of the occurrence of a Loan Event of Default and a notice stating that the Security Agent will exercise the voting rights. In addition, each of the Parent and the relevant Borrower will remain authorised to collect any interest pertaining to the shares, including dividend. This authorisation will, if not already terminated, in any event automatically terminate upon the occurrence of a Loan Event of Default which is continuing.

New Shares

Under Dutch law no valid and enforceable rights of pledge can be created on the Loan Closing Date in advance over any shares a Borrower may after that date acquire in any Substitute Property Company. Therefore if a Borrower acquires any shares in a Substitute Property Company, such Borrower will be obliged to create in favour of the Security Agent a first right of pledge over the shares in such entity.

Pledge over Insurance Claims

On or about the Loan Closing the Borrowers and the Security Agent entered into a deed of pledge (the "**Insurance Claims Pledge Agreement**") pursuant to which each of the Borrowers created a first ranking disclosed right of pledge in favour of the Security Agent over all its present and future claims under the Insurance Policies.

Loss payee provisions

Subject to certain exceptions any pledged Insurance Policies will be required to contain appropriate endorsements to the satisfaction of the Security Agent to ensure that the Security Agent is made as first sole loss payee under the relevant Insurance Policies.

Pledge over inter company loan arrangements

On or about the Loan Closing Date the Obligors (save for the Parent) and the Security Agent entered into a deed of pledge (the "**Inter Company Receivables Pledge Agreement**") pursuant to which the relevant Obligor will create a first ranking disclosed right of pledge in

favour of the Security Agent over all its present and future claims under any inter company loan entered into with the other Obligor.

Pledge over Borrower Hedging Arrangements

On or about the Loan Closing Date the relevant Borrowers, the Borrower Swap Counterparty and the Security Agent entered into a deed of pledge (the "**Borrower Swap Pledge Agreement**") pursuant to which the relevant Borrowers created a first ranking disclosed right of pledge in favour of the Security Agent over all their present and future claims under any hedging arrangement entered into with the Borrower Swap Counterparty.

Pledge over property management agreements

On or about the Loan Closing Date the relevant Borrowers and the Security Agent entered into a deed of pledge (the "**Property Management Pledge Agreement**") pursuant to which the relevant Borrowers created a first ranking disclosed right of pledge in favour of the Security Agent over all their present and future claims under any hedging arrangement entered into with the Property Manager.

Notes Security

Issuer Parallel Debt

The Notes will be secured indirectly, through the Issuer Security Trustee, by the Trust Deed to be entered into by the Issuer, the Shareholder and the Issuer Security Trustee, acting as security trustee for (i) the Joint Lead Managers as initial Noteholder, (ii) the Directors, (iii) the Servicer, (iv) the Special Servicer, (v) the Paying Agents, (vi) the Calculation Agent, (vii) the Liquidity Facility Provider, (viii) the Issuer Account Bank, (ix) the Noteholders (other than the Class X Noteholders (as to Principal only)) and (x) the Initial Lender (for amounts due under the Loan Transfer Agreement) (together the "**Issuer Security Beneficiaries**"). The Issuer will agree in the Trust Deed, to the extent necessary in advance, to pay to the Issuer Security Trustee any amounts equal to the aggregate of all its liabilities to all the Issuer Security Beneficiaries from time to time due in accordance with the terms and conditions of the relevant Transaction Documents, including, without limitation, the Notes (the "**Principal Obligations**"), which payment undertaking and the obligations and liabilities resulting therefrom is herein referred to as the "**Issuer Parallel Debt**".

Issuer Security Documents

The Issuer Parallel Debt of the Issuer to the Issuer Security Trustee will be secured by each of the following documents.

Loan Receivables Pledge Agreement

On or about the Closing Date the Issuer (in its capacity as Senior Lender) and the Issuer Security Trustee will enter into a pledge agreement (the "**Loan Receivables Pledge Agreement**") pursuant to which the Issuer will, in favour of the Issuer Security Trustee, create a first ranking right of pledge over all its existing and future rights and claims as Senior Lender

under (i) the Facilities Agreement and the other Finance Documents, including any rights and claims against the Security Agent arising out of the Borrower Parallel Debt, (ii) the Loan Transfer Agreement and (iii) the Intercreditor Deed. As by means of the Loan Receivables Pledge Agreement, no disclosed security right is created in a contractual right which itself is secured by a mortgage or a pledge, the holder of such security right (i.e. the Issuer Security Trustee) will not be entitled to exercise the rights of the pledgor of such mortgage or pledge. The Security Agent will remain entitled to enforce the Loan Security subject to the term and conditions of the Finance Documents. Upon enforcement of the Loan Security by the Security Agent, the Security Agent will be obliged to distribute the liquidation proceeds to the Finance Parties in accordance with the Finance Documents and, to the extent it regards the Issuer (in its capacity as Senior Lender) and the Subordinated Lender, the Intercreditor Deed. The Issuer (in its capacity as Senior Lender) has, pursuant to the Facilities Agreement, a claim against the Security Agent to receive its interest in the liquidation proceeds. The Issuer will, pursuant to the Loan Receivables Pledge Agreement, create a first ranking right of pledge over this claim in favour of the Issuer Security Trustee.

Issuer Accounts Pledge Agreement

On or about the Closing Date the Issuer Account Bank, the Issuer and the Issuer Security Trustee will enter into a pledge agreement (the "**Issuer Accounts Pledge Agreement**"), pursuant to which the Issuer will create, in favour of the Issuer Security Trustee, a first ranking right of pledge in respect of any and all its existing and future rights and claims including over all current and future monetary claims of the Issuer against the Issuer Account Bank in respect of the Issuer Accounts, other than the Class X Principal Account.

Issuer Rights Pledge Agreement

On or about the Closing Date, *inter alia*, the Issuer and the Issuer Security Trustee enter into a pledge agreement (the "**Issuer Rights Pledge Agreement**"), pursuant to which the Issuer will, in favour of the Issuer Security Trustee, create a first ranking right of pledge in respect of any and all its existing and future rights and claims (the "**Issuer Rights**") under or in connection with the Servicing Agreement and the Liquidity Facility Agreement.

Each of the Loan Receivables Pledge Agreement, the Issuer Accounts Pledge Agreement and the Issuer Rights Pledge Agreement will – either through notification to the relevant obligors or by co-signing of the relevant obligors – constitute a disclosed right of pledge (*openbaar pandrecht*).

Enforcement

Upon enforcement of the pledges created pursuant to the Issuer Pledge Agreements (i.e. after delivery of an Enforcement Notice), the Issuer Security Trustee shall apply the net proceeds received or recovered towards satisfaction of the Issuer Parallel Debt. The Issuer Security Trustee shall distribute such net proceeds to the Issuer Security Beneficiaries. All amounts to be so distributed by the Issuer Security Trustee will be paid in accordance with the Post-Enforcement Priority of Payments (as set forth in *Credit Structure* above).

The security provided pursuant to the provisions of the Trust Deed and the Issuer Pledge Agreements shall indirectly, through the Issuer Security Trustee, serve as security for the benefit of the Issuer Security Beneficiaries, including, without limitation, the holders of the Senior Class A Notes, the Class X Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E and the Subordinated Class F Notes, but amounts owing to the holders of the Mezzanine Class B Notes will rank in priority of payment after amounts owing to holders of the Senior Class A Notes and the Class X Notes (in respect of interest only) and amounts owing to the holders of the Mezzanine Class C Notes will rank in priority of payment after amounts owing to the holders of the Senior Class A Notes, the Class X Notes (in respect of interest only) and the Mezzanine Class B Notes, and amounts owing to the holders of the Junior Class D Notes will rank in priority of payment after amounts owing to the holders of the Senior Class A Notes, the Class X Notes (in respect of interest only), the Mezzanine Class B Notes and the Mezzanine Class C Notes, and amounts owing to the holders of the Junior Class E Notes will rank in priority of payment after amounts owing to the holders of the Senior Class A Notes, the Class X Notes (in respect of interest only), the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and amounts owing to the holders of the Subordinated Class F Notes will rank in priority of payment after amounts owing to the holders of the Senior Class A Notes, the Class X Notes (in respect of interest only), the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes (see section *Credit Structure* above).

THE ISSUER SECURITY TRUSTEE

Stichting Security Trustee MESDAG (Delta) is a foundation (*stichting*) incorporated under the laws of the Netherlands on 1 June 2007. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Issuer Security Trustee is registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34275042.

The objectives of the Issuer Security Trustee are (a) to act as agent and/or trustee of the Noteholders and certain other creditors of the Issuer; (b) to acquire security rights as agent and/or trustee and/or for itself; (c) to hold, administer and enforce the security rights mentioned under (b) for the benefit of the Noteholders and certain other creditors of the Issuer and to perform acts and legal acts (including the acceptance of a parallel debt obligation from, *inter alia*, the Issuer) which are or may be related, incidental or conducive to the holding of the above security rights and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole managing director of the Issuer Security Trustee is Amsterdamsch Trustee's Kantoor B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are D.P. Stolp and F.E.M. Kuijpers.

TERMS AND CONDITIONS OF THE NOTES

If Notes are issued in definitive form (each such Note a "**Definitive Note**"), the terms and conditions will be as set out below. The Conditions will be endorsed on each Definitive Note if they are issued. While the Notes remain in global form, the same terms and conditions will govern the Notes, except to the extent that they are not appropriate for the Notes in global form. See under section under *The Global Notes* below.

The issue of the € 398,150,000 Senior Class A Commercial Mortgage-Backed Notes 2007 due 2020 (the "**Senior Class A Notes**"), the € 50,000 Class X Commercial Mortgage-Backed Notes 2007 due 2020 (the "**Class X Notes**"), the € 47,100,000 Mezzanine Class B Commercial Mortgage-Backed Notes 2007 due 2020 (the "**Mezzanine Class B Notes**"), the € 53,550,000 Mezzanine Class C Commercial Mortgage-Backed Notes 2007 due 2020 (the "**Mezzanine Class C Notes**") the € 64,300,000 Junior Class D Commercial Mortgage-Backed Notes 2007 due 2020 (the "**Junior Class D Notes**"), the € 49,200,000 Junior Class E Commercial Mortgage-Backed Notes 2007 due 2020 (the "**Junior Class E Notes** and the € 26,050,000 Subordinated Class F Commercial Mortgage-Backed Notes 2007 due 2020 (the "**Subordinated Class F Notes**" and together with the Senior Class A Notes, the Class X Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes, the "**Notes**") was authorised by a resolution of the managing director of MESDAG (Delta) B.V. (the "**Issuer**") passed on 9 July 2007. The Notes will be issued on 25 July 2007 (or such later date as may be agreed between the Joint Lead Managers and the Issuer) (the "**Closing Date**") under a trust deed (the "**Trust Deed**") dated on or about the Closing Date between the Issuer and Stichting Security Trustee MESDAG (Delta) (the "**Security Trustee**").

The statements in these terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the forms of the Notes and the interest coupons appertaining to the Notes (the "**Coupons**") and the Temporary Global Notes and the Permanent Global Notes, (ii) a paying agency agreement (the "**Paying Agency Agreement**") dated on or about the Closing Date, between the Issuer, the Issuer Security Trustee and NIBC as principal paying agent (the "**Principal Paying Agent**") and calculation agent (the "**Calculation Agent**" and Custom House Administration & Corporate Services Limited as Irish paying agent (the "**Irish Paying Agent**") and, together with the Principal Paying Agent, the "**Paying Agents**"), (iii) a servicing agreement dated on or about the Closing Date, between, *inter alia*, NIBC as servicer (the "**Servicer**") and Hatfield Philips International Limited (the "**Special Servicer**"), the Issuer and the Issuer Security Trustee (the "**Servicing Agreement**"), (iv) a pledge agreement dated on or about the Closing Date, between, *inter alia*, the Issuer and the Issuer Security Trustee (the "**Loan Receivables Pledge Agreement**"), (v) a pledge agreement dated on or about the Closing Date, between, *inter alia*, the Issuer, the Issuer Security Trustee and others (the "**Issuer Rights Pledge Agreement**") and (vi) a pledge agreement dated on or about the Closing Date, between, *inter alia*, the Issuer Account Bank, the Issuer and the Issuer Security Trustee (the "**Issuer Accounts Pledge Agreement**" and together with the Loan Receivables Pledge Agreement and the Issuer Rights

Pledge Agreement, the "**Issuer Pledge Agreements**" and together with certain other documents, including all the aforementioned agreements and including but not limited to the Loan Transfer Agreement, the Intercreditor Deed and the Notes, the "**Transaction Documents**").

Certain words and expressions used below are defined in a master definitions agreement (the "**Master Definitions Agreement**") dated on or about the Closing Date and signed by the Issuer, the Issuer Security Trustee, the Agents and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, "**Class**" means the Senior Class A Notes, Class X Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, as the case may be.

Copies of, *inter alia*, the Trust Deed, the Paying Agency Agreement, the Borrower Security Documents, the Telined Mortgage, the Issuer Pledge Agreements, the Liquidity Facility Agreement and the Master Definitions Agreement are available for inspection free of charge by holders of the Notes during business hours at the specified offices for the time being of the Principal Paying Agent and the present office of the Issuer Security Trustee, being at the date hereof Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The holders 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 Paying Agency Agreement, the Issuer Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination and Title

(a) Definitive Notes

The Definitive Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of € 50,000 each. Under Dutch law, the valid transfer of Notes requires, *inter alia*, delivery (*levering*) thereof. The Issuer, the Issuer Security Trustee and the Principal Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment, and no person shall be liable for so treating such holder. The signatures on the Notes may be in facsimile.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Notes Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Issuer Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the

Closing Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form (the "**Definitive Notes**"), then the Issuer will at its sole cost and expense, issue Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Notes within thirty (30) days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

(b) *Legend on Definitive Notes*

The Definitive Notes and the Coupons will bear the following legend: "*Any United States Person (as defined in the Internal Revenue Code), who holds this obligation will be subject to the limitations under the United States income tax laws, including limitations provided in section 165(j) and 1287(a) of the Internal Revenue Code*". The sections referred to in the legend provide that such a United States Person will not, with certain exceptions, be permitted to deduct any loss, and will not be eligible for favourable capital gains treatment with respect to any gain realised on a sale, exchange or redemption of a Definitive Note or Coupon.

2. Status, Relationship between the Notes and Security

(a) *Status*

The Notes of each class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority to the Notes of the same class.

Save as described in Condition 6 (*Redemption*) and in accordance with the provisions of Conditions 4 and 6 and the provisions of the Trust Deed, both before and after an Enforcement Notice has been served, certain payments will be subordinated as follows: (i) repayments of principal and payments of interest in respect of the Senior Class A Notes and the Class X Notes (in respect of interest only) will rank *pari passu* among themselves, (ii) repayments of principal and payments of interest in respect of the Mezzanine Class B Notes are subordinated to, *inter alia*, repayments of principal and payments of interest in respect of the Senior Class A Notes and the Class X Notes (with respect to interest only), (iii) repayments of principal and payments of interest in respect of the Mezzanine Class C Notes are subordinated to, *inter alia*, repayments of principal and payments of interest in respect of the Senior Class A Notes, the Class X Notes (with respect to interest only) and the Mezzanine Class B Notes, (iv) repayments of principal and payments of interest in respect of the Junior Class D Notes are subordinated to, *inter alia*, repayments of principal and payments of interest in respect of the Senior Class A Notes, the Class X Notes (with respect to interest only), the Mezzanine Class B Notes and the Mezzanine Class C Notes, (v) repayments of principal and payments of interest in respect of the Junior Class E Notes are subordinated to, *inter alia*, repayments of principal and payments of interest in respect of the Senior Class A Notes, the Class X Notes (with respect to interest only), the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (vi) repayments of principal and payments of

interest in respect of the Subordinated Class F Notes are subordinated to, *inter alia*, repayments of principal and payments of interest in respect of the Senior Class A Notes, the Class X Notes (with respect to interest only), the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes.

Both before and after an Enforcement Notice has been served, the Class X Notes, with respect to the repayment of principal, are entitled to the benefit of additional security being the amount of EUR 50,000 which will be deposited by the Issuer on the Closing Date into an account (the "**Class X Principal Account**") maintained by the Issuer. Therefore the Class X Notes do not rank against any other Notes with respect to such principal amounts.

(b) *Security*

The Issuer Security Beneficiaries, including, *inter alia*, the Noteholders, benefit from the security for the obligations of the Issuer towards the Issuer Security Trustee (the "**Issuer Security**"), which will be created pursuant to, and on the terms set out in, the Trust Deed and the Issuer Pledge Agreements (collectively the "**Issuer Security Documents**") which will create security over substantially all of the assets of the Issuer as more fully set out in the Issuer Security Documents dated on or about the Closing Date.

The holders of the Notes of each Class will benefit from the Issuer Security. The Senior Class A Notes and the Class X Notes (with respect to interest only) will *pari passu* rank in priority to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. The Mezzanine Class B Notes will rank in priority to the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. The Mezzanine Class C Notes will rank in priority to the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. The Junior Class D Notes will rank in priority to the Junior Class E Notes and the Subordinated Class F Notes. The Junior Class E Notes will rank in priority to the Subordinated Class F Notes. The Trust Deed contains provisions requiring the Issuer Security Trustee to have regard to the interests of the Senior Class A Noteholders, Class X Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders, each as a Class as regards all powers, trust, authorities, duties and discretions of the Issuer Security Trustee (except where expressly provided otherwise) and the Issuer Security Trustee need not to have regard to the consequences of such exercise for individual Noteholders but is required in any such case to have regard only to the interests of the highest ranking Class of Noteholders and, in the case of the Senior Class A Noteholders, jointly with the Class X Noteholders. In this respect the order of priority is as follows: *firstly*, the Senior Class A Noteholders and the Class X Noteholders jointly, *secondly*, the Mezzanine Class B Noteholders, *thirdly*, the Mezzanine Class C Noteholders, *fourthly*, the Junior Class D Noteholders, *fifthly* the Junior Class E Notes and *sixthly*, the Subordinated Class F Noteholders. In addition, the Issuer Security Trustee shall have regard to the interests of the other Issuer Security

Beneficiaries, provided that, in the case of a conflict of interest between the Issuer Security Beneficiaries, the priority of payments set forth in the Trust Deed determines which interest of which Issuer Security Beneficiary prevails.

3. Covenants of the Issuer

(a) Restrictions

So long as any of the Notes remains outstanding, the Issuer shall carry out its business in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice and shall not, except to the extent permitted by the Transaction Documents, or with the prior written consent of the Issuer Security Trustee:

- (a) carry out any business other than as described in this Offering Circular dated 23 July 2007 relating to the issue of the Notes and as contemplated in the Transaction Documents;
- (b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Transaction Documents;
- (c) create, promise to create or permit to subsist any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Transaction Documents;
- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) have any subsidiary or subsidiary undertaking;
- (f) permit the validity or effectiveness of the Trust Deed or the Issuer Pledge Documents, and the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Transaction Documents;
- (g) have an interest in any bank account other than the Issuer Accounts, unless all rights in relation to such account have been pledged to the Issuer Security Trustee as provided in Condition 2 (b) hereof;
- (h) amend, supplement or otherwise modify its articles of association or other constitutive documents;
- (i) pay any dividend or make any other distribution to its shareholder(s);

- (j) have any employees or engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in; or
- (k) voluntarily take any corporate action or file any petition for the appointment of a liquidator (*curator*) or administrator (*bewindvoerder*) or other similar officer.

(b) *Servicer and Special Servicer*

For as 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 Whole Loan and the Loan Security and the performance of the other administrative duties set out in the Servicing Agreement.

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 Issuer Security Trustee has been appointed and (ii) the appointment of the Servicer and the Special Servicer may be terminated by the Issuer Security 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 (30) 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 Issuer Security Trustee.

If the Whole Loan becomes Specially Serviced in accordance with the Servicing Agreement, then the Issuer, upon being so instructed by a resolution of the majority holders of the Class of Noteholders then acting as the Controlling Class, will exercise its rights under the Servicing Agreement to appoint a substitute or successor special servicer in respect of the Whole Loan subject to the conditions of the Servicing Agreement.

The "**Controlling Class**" means, at any time:

- (i) the holders of the most junior Class of Notes (other than the Class X Notes) 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 Notes).

(c) *Operating Adviser*

The Controlling Class may, by a majority resolution of the holders of that Class (and notified in writing to the Issuer Security Trustee, the Servicer and the Special Servicer), 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 if the Controlling Class will be the Controlling Party. The Operating Adviser shall be entitled to exercise all of the rights, powers and discretions given to it pursuant to the Servicing Agreement as it sees fit.

Each Noteholder acknowledges and agrees, by its purchase of the Notes, that:

- (i) the Operating Adviser may have special relationships and interests that conflict with those of the holders of one or more other classes of the Notes;
- (ii) the Operating Adviser may act solely in the interests of the Controlling Class;
- (iii) the Operating Adviser does not have any duties to any Noteholders other than the Controlling Class;
- (iv) the Operating Adviser may take actions that favour the interests of the Noteholders of the Controlling Class over the interests of the other Noteholders;
- (v) Operating Adviser Class will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason only of its having acted solely in the interests of the Controlling Class; and
- (vi) 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.

At no time may the Operating Adviser be a Class X Noteholder, a Borrower or an entity affiliated with a Borrower.

The Controlling Party, if a Controlling Class, may by a resolution of the majority holders of the Controlling Class (notified in writing to the Issuer Security Trustee, the Servicer and the Special Servicer) terminate the appointment of any Operating Adviser. Any Operating Adviser may retire by giving not less than twenty-one (21) days' notice in writing to the Noteholders of the Controlling Class (in accordance with the terms of Condition 13 (*Notices*)), the Issuer Security Trustee, the Servicer and the Special Servicer.

4. Interest

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6) from and including the Closing Date. Each Note (or, in the case of the

redemption of only part of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition 13 (*Notices*)) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual number of days elapsed in the Notes Interest Period *divided* by 360 days.

(b) *Interest Periods and Payment Dates*

Subject to Condition 9 (*Limited Recourse*) interest on the Notes shall be payable by reference to successive interest periods (each a "**Notes Interest Period**") and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition 6 (*Redemption*)) of the Notes as per the first day of such Notes Interest Period, respectively, on the 25th day of April, July, October and January in each year, or if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day is the relevant Business Day, except for the interest payable in the Notes Interest Period commencing in October 2016, in respect of which the interest on the Notes will be due payable on the 28th day of December, or if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 28th day is the relevant Business Day (each such day being a "**Notes Interest Payment Date**"). Each successive Notes Interest Period will commence on (and include) a Notes Interest Payment Date and end on (but exclude) the next succeeding Notes Interest Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Interest Payment Date falling in October 2007.

A "**Business Day**" means a day on which banks are open for business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (the "**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

(c) *Interest on the Notes (other than the Class X Notes)*

Except for (i) the Notes Interest Period commencing on the Notes Interest Payment Date falling in October 2016 whereby interest will accrue until (but exclude) the Notes Interest Payment Date falling in December 2016 at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for two-months deposits in euros and the Euribor for three-months deposits in euros (determined in accordance with

Condition 4(f) (*Euribor*) and (ii) the Notes Interest Period commencing on the Notes Interest Payment Date falling in December 2016 whereby interest will accrue until (but exclude) the Notes Interest Payment Date falling in January 2017 at an annual rate equal to the linear interpolation between the Euribor for three-weeks-months deposits in euros and the Euribor for one-month deposits in euros (determined in accordance with Condition 4(f) (*Euribor*)) interest on the Notes (other than the Class X Notes) for each Notes Interest Period will accrue at an annual rate equal to Euribor for three-months deposits in euro, plus a margin (the "**Relevant Margin**").

For this purpose the Relevant Margin means with respect to each Class of Notes (other than the Class X Notes):

Senior Class A Notes:	0.24 per cent. per annum
Mezzanine Class B Notes:	0.28 per cent. per annum
Mezzanine Class C Notes:	0.55 per cent. per annum
Junior Class D Notes:	0.90 per cent. per annum
Junior Class E Notes:	1.10 per cent. per annum
Subordinated Class F Notes:	1.35 per cent. per annum

(d) *Interest on the Class X Notes*

The rate of interest applicable to the Class X Notes will be the Class X Interest Rate. The "**Class X Interest Rate**" for each Notes Interest Period is the percentage rate calculated as follows: H divided by P , whereby

H = the Class X Interest Amount *divided* by the actual number of days in the relevant Notes Interest Period and *multiplied* by 360

P = the Principal Amount Outstanding of the Class X Notes as of the first day of the applicable Notes Interest Period.

For the purpose of calculating the Class X Interest Rate in accordance with Condition 4 (d) (*Interest on the Class X Notes*):

The "**Class X Interest Amount**" with respect to a Notes Interest Payment Date is an amount (as calculated on the Notes Calculation Date immediately preceding that Notes Interest Payment Date) equal to:

The higher of:

(A) zero; or

(B) the sum of

- (a) items (a) up to and including (i) of the Notes Interest Available Amount except item (e), to the extent such amounts do not relate to amounts received as interest under the Finance Documents; *plus*
- (b) the interest rate applicable to the Senior Loan during the Loan Interest Period immediately preceding the relevant Notes Interest Payment Date, *multiplied* by the principal amount outstanding under the Senior Loan as of the first day of the same Loan Interest Period, which amount will be *multiplied* by (p) the actual number of days in the relevant Notes Interest Period and *divided* by (q) 360; *minus*
- (c) the aggregate amount of interest due and payable on the Notes in respect of the Notes Interest Period immediately preceding the relevant Notes Interest Payment Date (other than the Class X Notes) (for the avoidance of doubt, excluding any amount of interest accrued due but unpaid in respect of Notes Interest Periods preceding the Notes Interest Period immediately preceding the relevant Notes Interest Payment Date); *minus*
- (d) the aggregate of all amounts other than in respect of interest payable by the Issuer in respect of the Notes (other than the Class X Notes) on the immediately succeeding Notes Interest Payment Date in accordance with items (a) up to and including item (l) of the Interest Priority of Payments.

For the purpose of calculating the interest on the Class X Notes:

"Loan Interest Period" means the period commencing on (and including) a Loan Interest Payment Date falling in April, July, October and January to (but excluding) the Loan Interest Payment Date falling in the following July, October, January and April, except for the period commencing on (and including) the Loan Interest Payment Date falling in October 2016 and ending on (but exclude) the Loan Maturity Date.

"Loan Interest Payment Date" means the 25th day of the relevant Loan Interest Period, or, if such day is not a Business Day, the next succeeding Business Day in that calendar month (if there is one), or the preceding Business Day (if there is not), except for the loan interest payment date relating to the Loan Interest Period commencing in October 2016, in respect of which the relevant interest payment date will be the 28th day of December 2016, or, if such day is not a Business Day, the next succeeding Business Day in that calendar month (if there is one), or the preceding Business Day (if there is not).

The interest rate applicable to the Senior Loan means three-month Euribor plus a margin, which margin will increase as per the Loan Step-Up Date.

"Loan Maturity Date" means the Loan Interest Payment Date falling in December 2016.

"Loan Step-Up Date" means the Notes Interest Payment Date falling in January 2014.

(e) *Prepayment Compensation Amount*

If any prepayment compensation amount (the "**Prepayment Compensation Amount**") paid pursuant to the Facilities Agreement in respect of the Senior Loan during a Notes Interest Period is greater than zero, the Issuer shall until an Enforcement Notice has been served, on the immediately succeeding Notes Interest Payment Date be required to, subject to Condition 9 (*Limited Recourse*) allocate an amount equal to the Prepayment Compensation Amount received during the immediately preceding Notes Interest Period, *pro rata* to the holders of the Class X Notes.

(f) *Euribor*

For the purposes of determining the rate of interest in respect of the Notes (other than the Class X Notes) under Conditions 4(c) (*Interest on the Notes (other than the Class X Notes)*) Euribor will be determined by the Calculation Agent as follows:

- (i) The Calculation Agent will obtain for each Notes Interest Period the rate equal to Euribor for three-months deposits in euro. The Calculation Agent shall use the Euribor rate as determined and 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 Reuter 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) at or about 11:00 a.m. (Central European time) (i) in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, after 11.00 a.m. (Central European Time) on the day that is two (2) Business Days preceding the first day of each Notes Interest Period for which the rate will apply and (ii) in respect of the Class X Notes, at or about 11:00 a.m. (Central European time) on the Notes Calculation Date immediately preceding the Notes Interest Payment Date immediately following the Notes Interest Period for which the rate will apply (in each case an "**Interest Determination Date**");
- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Calculation Agent will:
 - (A) request the principal euro-zone office of each of four (4) major banks in the euro-zone interbank market (the "**Reference Banks**") to provide a quotation for the rate at which three-months euro deposits are offered by it 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 in an amount that is representative for a single transaction at that time; and

- (B) determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as are provided; and
- (iii) If fewer than two (2) such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two (2) in number, in the euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three-months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Notes Interest Period shall be the rate per annum equal to the Euribor for euro deposits as determined in accordance with this Condition, provided that if the Calculation Agent is unable to determine Euribor in accordance with the above provisions in relation to any Notes Interest Period, Euribor applicable during such Notes Interest Period will be Euribor last determined in relation thereto.

(g) *Determination of Rate of Interest and Calculation of the Interest Amount*

The Calculation Agent will, as soon as practicable on the relevant Interest Determination Date (i) determine the rates of interest payable from time to time in respect of each Class of Notes (other than the Class X Notes) pursuant to Condition 4 (*Interest*) (each a "**Rate of Interest**" and together the "**Rates of Interest**") as applicable to the Notes Interest Period immediately succeeding such Interest Determination Date in respect of the Notes of each such Class, and (ii) calculate the amount of interest (the "**Interest Amount**") payable, subject to Condition 2 (*Status, Relationship between the Notes and Security*) and Condition 9 (*Limited Recourse*) on each Class of Notes (other than the Class X Notes) for the following Notes Interest Period. Each Interest Amount in respect of the Notes of each Class (other than the Class X Notes) shall be calculated on the Notes Interest Payment Date immediately succeeding the relevant Interest Determination Date by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes on the first day of the immediately succeeding Notes Interest Period and multiplying such sum by the actual number of days in the relevant Notes Interest Period divided by 360.

In respect of the Class X Notes, the Calculation Agent will, as soon as practicable on the relevant Interest Determination Date (i) determine the Class X Interest Rate applicable to the then current Notes Interest Period pursuant to Condition 4 (*Interest*), and (ii) calculate

the Class X Interest Amount payable, subject to Condition 2 (*Status, Relationship between the Notes and Security*) and Condition 9 (*Limited Recourse*) on the Class X Notes on the immediately succeeding Notes Interest Payment Date in accordance with Condition 4 (d) (*Interest on the Class X Notes*), it being noted that any determination of the Class X Interest Rate or calculation in respect of the Class X Interest Amount shall on the relevant Interest Determination Date take place after all amounts due and payable on the immediately succeeding Notes Interest Payment Date have been calculated.

(h) *Notification of the Rate of Interest and the Interest Amount*

The Calculation Agent will cause (i) the Rate of Interest, the Interest Amount, the Class X Interest Rate and the Class X Interest Amount applicable to the Notes of each Class for each Notes Interest Period and (ii) the Notes Interest Payment Date in respect thereof to be notified to the Issuer, the Issuer Security Trustee, the Paying Agents, the Servicer, the Company Announcement Office of the Irish Stock Exchange (if and for as long the Notes (other than the Class X Notes) are listed on the Irish Stock Exchange) and to the holders of the Notes in accordance with Condition 13 (*Notices*). The Interest Amounts, Notes Interest Payment Date and other determinations so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Notes Interest Period Notes.

(i) *Determination or Calculation by the Issuer Security Trustee*

If the Calculation Agent at any time for any reason does not determine the relevant Rate of Interest or, as the case may be, Class X Interest Rate and/or fails to calculate the Interest Amount for any Class of Notes or, as the case may be, Class X Interest Amount and/or fails to make any other necessary calculations in accordance with the foregoing Conditions, the Issuer Security Trustee shall determine the relevant Rate of Interest, or, as the case may be, the Class X Interest Rate at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable under the circumstances or, as the case may be, the Issuer Security Trustee shall calculate the Interest Amount for any Class of Notes or, as the case may be, the Class X Interest Amount in accordance with the procedure described above, and each such determination or calculation shall be final and binding on all parties.

(j) *Determination and 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 Issuer Security 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 Issuer Security 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 Agents or the Issuer Security Trustee in connection with the exercise by them of any of their powers, duties and discretions under this Condition.

(k) *Reference Banks and Calculation Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four (4) Reference Banks and a Calculation Agent. The Issuer has, subject to obtaining the prior written consent of the Issuer Security Trustee, the right to terminate the appointment of the Calculation Agent or of any Reference Bank by giving at least ninety (90) days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13 (*Notices*). If any person shall be unable or unwilling to continue to act as a Reference Bank or the Calculation Agent (as the case may be) or if the appointment of any Reference Bank or the Calculation Agent shall be terminated, the Issuer will, with the prior written consent of the Issuer Security Trustee, appoint a successor Reference Bank or Calculation Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Calculation Agent shall take effect until a successor approved in writing by the Issuer Security Trustee has been appointed.

(l) *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.

5. **Payment**

(a) *Global Notes*

For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to Euroclear and Clearstream, Luxembourg, as the case may be, for the credit of the respective accounts of the Noteholders.

(b) *Definitive Notes*

(i) Payment of principal and interest in respect of Definitive Notes will be made upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto at any specified office of any Paying Agent in cash or by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.

(ii) On the relevant Notes Final Maturity Date (as defined in Condition 6 (*Redemption*)), or such earlier date on which the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner

mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five (5) years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8 (*Prescription*)).

- (iii) If the relevant Notes Interest Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon ("**Local Business Day**"), the holder of the Note shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to a euro account as referred to above, no Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agents and details of their offices are set out below.
- (iv) The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or the Irish Paying Agent and to appoint an additional or other paying agent provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes (other than the Class X Notes) are listed on Irish Stock Exchange, shall be located in Ireland, and provided further that the Issuer will maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the any Paying Agent will be given to the Noteholders in accordance with Condition 13 (*Notices*).

6. Redemption

(a) Definitions

For the purposes of these Conditions the following terms shall have the following meanings:

"**Disposal**" means a sale, lease, licence, transfer, loan or other disposal by a person of any Property or any share in the capital of a Borrower.

The "**Principal Amount Outstanding**" in respect of:

- (i) any Class of Notes on any date shall be (a) the initial principal amount thereof upon issue less (b) the aggregate amount of all Notes Principal Redemption Amounts (as defined in Condition 6(d) below) paid in respect of that Class of Notes since the Closing Date and prior to such Notes Calculation Date; and

- (ii) any Note on any date shall be (a) the initial principal amount of that Note upon issue less (b) the aggregate amount of all Notes Principal Redemption Amounts (as defined in Condition 6(d) below) paid in respect of that Note since the Closing Date and prior to such Notes Calculation Date.

"Notes Calculation Date" means, in relation to a Notes Interest Payment Date, the third Business Day prior to such Notes Interest Payment Date.

"Notes Principal Available Amount" shall mean, on any Notes Calculation Date, the sum of the amounts calculated as at each Notes Calculation Date as being received or expected to be received during the then current Notes Interest Period (as defined in the Conditions), as (i) principal receipts in respect of or relating to the Senior Loan (excluding for the avoidance of doubt any Prepayment Compensation Amount, but including any Disposal Premium received by the Issuer (as Senior Lender) under the Senior Loan), (ii) any amounts (to the extent relating to principal) received from the Initial Lender pursuant to the Loan Transfer Agreement, (iii) any amounts paid by a Subordinated Lender (to the extent relating to principal) in respect of a purchase of the Senior Loan or the payment of a Cure Payment made to remedy a non-payment of interest in respect of the Senior Loan pursuant to the terms of the Intercreditor Deed and (iv) to the extent not included above, any full or partial recoveries in respect of principal, net insurance proceeds, compulsory purchase proceeds and net enforcement or liquidation proceeds received in respect of the Senior Loan.

(b) *Final Redemption*

Unless previously redeemed in full as provided below, the Issuer will redeem the Notes of each Class at their respective Principal Amount Outstanding, together with accrued interest, on the Notes Interest Payment Date falling in January 2020 (the **"Notes Final Maturity Date"**)

(c) *Mandatory pro rata redemption prior to delivery of an Enforcement Notice*

Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Notes Event of Default*), the Issuer shall on each Notes Interest Payment Date apply the Notes Interest Available Amount to the extent it relates to any Disposal in or towards satisfaction on *pro rata* and *pari passu* basis of the payment of amounts of principal due on each Class of Notes (other than the Class X Notes) at their respective Principal Amount Outstanding, until fully redeemed (the **"Pro Rata Principal Priority of Payments"**).

(d) *Sequential redemption prior to delivery of an Enforcement Notice (other than from the Pro Rata Disposal Redemption Amount)*

Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Notes Event of Default*), the Issuer shall on each Notes Interest Payment Date apply the Notes Principal Available Amount, except for any amounts relating to a Disposal and applied or to be applied pursuant to the Pro Rata Principal Priority of Payment in

accordance with Condition 6(c) on such Notes Interest Payment Date, in or towards redemption (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Sequential Principal Priority of Payments**"), at their respective Principal Amount Outstanding, of:

- (i) *firstly*, the Senior Class A Notes until fully redeemed;
- (ii) *secondly*, the Mezzanine Class B Notes, until fully redeemed;
- (iii) *thirdly*, the Mezzanine Class C Notes, until fully redeemed;
- (iv) *fourthly*, the Junior Class D Notes, until fully redeemed;
- (v) *fifthly*, the Junior Class E Notes, until fully redeemed; and
- (vi) *sixthly*, the Subordinated Class F Notes, until fully redeemed.

The principal amounts redeemable in accordance with Condition 6(c) and 6(d) in respect of each relevant Note (each a "**Principal Redemption Amount**") on the relevant Notes Interest Payment Date shall be the Notes Principal Available Amount on the Notes Calculation Date relating to that Notes Interest Payment Date divided by the number of Notes subject to such redemption (rounded down to the nearest euro), provided always that a Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(e) *Redemption of the Class X Note*

The Class X Notes may not be redeemed on any Notes Interest Payment Date prior to the Class X Maturity Date unless:

- (i) the application of any Principal Redemption Amount towards redeeming the Notes (other than the Class X Notes) pursuant to this Condition 6(c) and Condition 6(d) will result in the Notes (other than the Class X Note) being redeemed in full; or
- (ii) an Enforcement Notice has been served,

in which case the Class X Notes will be redeemed in full using amounts standing to the credit of the Class X Principal Account.

(f) *Redemption following a repurchase of the Senior Loan*

If the Senior Loan is repurchased by the Initial Lender pursuant to the Loan Transfer Agreement, the Issuer shall redeem all (but not some only) of the Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the

amounts to be paid in priority to the Notes on the immediately succeeding Notes Interest Payment Date, provided that the Issuer, the Servicer or the Special Servicer (as the case may be) shall have satisfied the Issuer Security 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 Issuer Security Trustee a certificate signed by the managing director of the Issuer stating that the Issuer will have such funds; and the Issuer Security Trustee shall accept the certificate as sufficient evidence of the satisfaction of such condition precedent and it shall be conclusive and binding on the Noteholders.

(g) *Redemption for taxation and other reasons*

If the Issuer at any time satisfies the Issuer Security Trustee immediately prior to the giving of the notice to the Issuer Security Trustee referred to below that:

- (i) it or any Paying Agent (a) has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction); and/or (b) has become or would become subject to any limitation of the deductibility of interest on any of the Notes as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes; 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 Senior Loan,

then, provided no Enforcement Notice has been served, the Issuer shall inform the Issuer Security Trustee accordingly and may, in order to avoid the event described, arrange a company incorporated in another jurisdiction approved in writing by the Issuer Security Trustee in accordance with Condition 14(b) (*Modification, authorisation and waiver without consent of Noteholders*) to substitute the Issuer.

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 Issuer Security Trustee in its sole discretion), then the Issuer shall, having given not more than sixty (60) nor less than thirty (30) days' written notice (or such shorter notice period as the Issuer Security Trustee may agree) to the Noteholders in accordance with Condition 13 (*Notices*), 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 Issuer Security 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 Issuer Security Trustee (x) a certificate signed by the managing director of the Issuer stating that the Issuer will have such funds; and the Issuer Security Trustee shall accept the certificate as sufficient evidence of the satisfaction of such condition precedent and it shall be conclusive and binding on the Noteholders and (y) in respect of (i) under (b) above an opinion of independent counsel that there is a probability that the act taken by the taxing authority leads to one of events mentioned at (i) or (ii); and the Issuer Security Trustee shall accept the certificate and the opinion as sufficient evidence of the satisfaction of the conditions precedent set out above and it shall be conclusive and binding on the Noteholders.

No Notes may be redeemed under such circumstances unless all Notes (or such of them as are then outstanding) are also redeemed at their respective Principal Amount Outstanding, together with accrued interest, at the same time.

(h) *Redemption upon exercise of Clean-up Call*

The Issuer may, at its option on given not more than sixty (60) nor less than thirty (30) days' written notice (or such shorter notice period as the Issuer Security Trustee may agree) to the Noteholders in accordance with Condition 13 (*Notices*), redeem all (but not only part of) the Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to the Notes, if on any preceding Notes Calculation Date the aggregate Principal Amount Outstanding under the Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding under the Notes on the Closing Date (the "**Clean-up Call Option**"), 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 Issuer Security 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 Issuer Security Trustee a certificate signed by the managing director of the Issuer stating that the Issuer will have such funds; and the Issuer Security Trustee shall accept the certificate as sufficient evidence of the satisfaction of such condition precedent and it shall be conclusive and binding on the Noteholders.

(i) *Mandatory Redemption in Whole or in Part*

If the Issuer receives a notice from the Borrower pursuant to the Facilities Agreement that the Borrower intends to prepay all or part of a Senior Loan on or before the next Notes Interest Payment Date, the Issuer will, having given not less than ten (10) days notice to the Noteholders in accordance with Condition (*Notices*), redeem some or all of the Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to the Notes 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 Issuer Security 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 in priority thereto and shall have delivered to the Issuer Security Trustee a certificate signed by the managing director of the Issuer stating that the Issuer will have such funds; and the Issuer Security Trustee shall accept the certificate as sufficient evidence of the satisfaction of such condition precedent and it shall be conclusive and binding on the Noteholders.

(j) *Determination of Principal Redemption Amount and Principal Amount Outstanding*

On each Notes Calculation Date, the Issuer shall determine (or cause the Servicer to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Notes Interest Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.

(k) *Notification of Principal Redemption Amount and Principal Amount Outstanding*

The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Issuer Security Trustee, the Paying Agents, the Calculation Agent, Euroclear, Clearstream, Luxembourg, Irish Stock Exchange and to the holders of Notes by an advertisement in accordance with Condition 13 (*Notices*). If no Principal Redemption Amount is due to be made on the Notes on any applicable Notes Interest Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 13 (*Notices*).

(l) *Determination by the Issuer Security Trustee*

If the Issuer does not at any time for any reason determine (or cause the Servicer to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note or, as the case may be, a Class of Notes, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Issuer Security Trustee in accordance with Condition 6(a) and Condition 6(c) above (but based upon the information in its possession as to the Notes Principal Available Amount) each such determination or calculation shall be deemed to have been made by the Issuer.

7. Taxation

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges is required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within five (5) years from the date on which such payment first becomes due.

9. Limited recourse

The ability of the Issuer to meet its obligations under the Notes will depend on payments received by it under the Finance Documents and the Liquidity Facility Agreement. In the event of non-payment, the only remedy for recovering amounts due on the Notes is through enforcement of the Issuer Security. If the Issuer Security has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking in priority under the Issuer Post-Enforcement Priority of Payments, are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, the Noteholders shall therefore have no further claim against the Issuer or the Issuer Security Trustee in respect of any such unpaid amounts and all such claims against the Issuer shall be extinguished and discharged.

Each Noteholder, by subscribing for or purchasing Notes, as applicable, is deemed to acknowledge and accept that it is fully aware that, in the event of an enforcement of the Issuer Security, (i) its right to obtain repayment in full is limited to the Issuer Security and (ii) the Issuer will have duly and entirely fulfilled its payment obligations by making available to each Noteholder its relevant proportion of the proceeds of realisation or enforcement of the Issuer Security in accordance with these Conditions and the Trust Deed, and all claims in respect of any shortfall will be extinguished.

10. Notes Events of Default

The Issuer Security Trustee at its discretion may or, if so directed by an Extraordinary Resolution of the Senior Class A Noteholders or if no Senior Class A Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class B Noteholders or, if no Senior Class A Notes and Mezzanine Class B Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class C Noteholders, or, if no Senior Class A Notes, Mezzanine Class B Notes and Mezzanine Class C Notes are outstanding, by an Extraordinary Resolution of the Junior Class D Noteholders or, if no Senior Class A Notes, Mezzanine Class B Notes, Mezzanine Class C Notes and Junior Class D Notes are outstanding, by an Extraordinary Resolution of the Junior Class E Noteholders, or, if no Senior Class A Notes, Mezzanine Class B Notes, Mezzanine Class C Notes, Junior Class D Notes and Junior Class E Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class F Noteholders (subject, in each case, to being indemnified to its satisfaction) (in each case, the "**Relevant Class**") shall (but in the case of the occurrence of any of the events mentioned in subparagraph (i) up to and including (vi)) below (each a "**Note Event of Default**"), only if the Issuer Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an "**Enforcement Notice**") to the Issuer that the Notes are, and each Note shall become, immediately due and payable at

their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (i) the Issuer is in default for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes (other than the Class X Note) of the Relevant Class when and as the same ought to be paid in accordance with these Conditions; or
- (ii) the Issuer fails to perform any of its other obligations binding on it under the Notes or the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Issuer Pledge Agreements and, except where such failure, in the reasonable opinion of the Issuer Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Issuer Security Trustee to the Issuer requiring the same to be remedied; or
- (iii) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (iv) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer in respect of all or substantially all of its assets; or
- (v) the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with, its creditors; or
- (vi) the Issuer files a petition for a suspension of payments (*surseance van betaling*) or for bankruptcy (*faillissement*) or is declared bankrupt or becomes subject to any other regulation having a similar effect,

provided, however, that, if Senior Class A Notes are outstanding, no Enforcement Notice may or shall be given by the Issuer Security Trustee to the Issuer in respect of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, irrespective of whether an Extraordinary Resolution is passed by the Mezzanine Class B Noteholders, the Mezzanine Class C Notes, the Junior Class D Noteholders, the Junior Class E Noteholders or the Subordinated Class F Noteholders unless an Enforcement Notice in respect of the Senior Class A Notes has been given by the Issuer Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Senior Class A Notes, the Issuer Security Trustee shall not be required to have regard to the interests of the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders or the Subordinated Class F Noteholders.

11. Enforcement

(a) *Enforcement*

At any time after the Notes of any Class become due and payable, the Issuer Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the Issuer Security pursuant to the terms of the Trust Deed, the Issuer Pledge Agreements and the Notes, including the making of a demand for payment thereunder, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Senior Class A Noteholders or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Mezzanine Class B Noteholders or, if all amounts due in respect of the Senior Class A Notes and the Mezzanine Class B Notes have been fully paid, the Mezzanine Class C Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes have been fully paid, the Junior Class D Noteholders or if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes have been fully paid, the Junior Class E Noteholders, or if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes have been fully paid, the Subordinated Class F Noteholders and (ii) it shall have been indemnified to its satisfaction. The Issuer Security Trustee will enforce the Issuer Security pursuant to the terms of the Trust Deed and the Issuer Pledge Agreements for the benefit of all Issuer Security Beneficiaries, including, but not limited to, the Noteholders, and will apply the net proceeds received or recovered towards satisfaction of the Issuer Parallel Debt. The Issuer Security Trustee shall distribute such net proceeds in accordance with the relevant priority of payments set forth in the Trust Deed.

However, the Issuer Security Trustee will enforce an Issuer Security Document without such Extraordinary Resolution if a failure to take immediate enforcement action could affect the value of collateral or availability of the security created pursuant to the relevant Issuer Security Document. The Issuer Security Trustee will enforce the Issuer Security pursuant to the terms of the Trust Deed and the Issuer Pledge Agreement for the benefit of all Issuer Security Beneficiaries, including, but not limited to, the Noteholders and will apply the net proceeds received or recovered towards satisfaction of the Issuer Parallel Debt. The Issuer Security Trustee shall distribute such net proceeds to the Issuer Security Beneficiaries in accordance with the Issuer Post-Enforcement Priority of Payments set forth in the Trust Deed.

(b) *No Action against Issuer by Noteholders*

The Noteholders shall not be entitled to proceed directly against the Issuer or to enforce the Issuer Security unless the Issuer Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing and provided further that no such action or proceedings may be taken by any Noteholder,

unless and until (and 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) *Undertaking Noteholders and Security Trustee*

None of the Noteholders or any other Issuer Security Beneficiary may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the last maturing Note is paid in full. The Noteholders and each other Issuer Security Beneficiary 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 in accordance with the Issuer Security Documents.

12. Indemnification of the Issuer Security Trustee

The Trust Deed contains provisions for the indemnification of the Issuer Security Trustee and for its relief from responsibility. The Issuer Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Transaction Documents without accounting for any profit resulting from such transaction.

13. Notices

All notices, other than notices given in accordance with the following paragraphs of this Condition 13 (*Notices*), to Noteholders shall be deemed to have been validly given if published in a leading daily newspaper printed in the English language and with general circulation in Dublin (which is expected to be The Irish Times) or, if that is not practicable, in such English language newspaper or newspapers as the Issuer Security Trustee shall approve having a general circulation in Ireland and the rest of Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required. For so long as the Notes of any class are represented by Global Notes, notices to Noteholders will be validly given if published as described above or, for so long as the Notes (other than the Class X Notes) are listed on the Irish Stock Exchange and the guidelines of the Irish Stock Exchange so allow, if delivered to the Common Safekeeper for communication by it to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled accountholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg as aforesaid shall be deemed to have been given on the day on which it is delivered to the Common Safekeeper.

Any notice specifying a Notes Interest Payment Date, a Rate of Interest, a Class X Interest Rate 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 Issuer Security Trustee and notified to the

Noteholders pursuant to first paragraph of this Condition 13 (*Notices*). 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 first paragraph of this Condition 13 (*Notices*). The Servicer may give statements to Noteholders through its website, which is initially located at www.assetbacked.nl.

A copy of each notice given in accordance with this Condition 13 (*Notices*) shall be provided to (for so long as the Notes (other than the Class X Notes) of any class are listed on the Irish Stock Exchange) the Company Announcements Office of the Irish Stock Exchange, to Standard & Poor's Ratings Services (a division of The McGraw Hill Companies, Inc.), ("**S&P**") and to Fitch Ratings Ltd. ("**Fitch**" and together with S&P, the "**Rating Agencies**"). For the avoidance of doubt, and unless the context otherwise requires, all references to rating and ratings in these Conditions shall be deemed to be references to the ratings assigned by the Rating Agencies.

The Issuer Security 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 (other than the Class X Notes) are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Issuer Security Trustee shall require.

14. Meetings of Noteholders; Modification; Consents; Waiver; Substitution

(a) Meeting of Noteholders

The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Transaction Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a "**Basic Terms Change**") shall be effective except that, if the Issuer Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, a Notes Event of Default, such Basic Terms Change may be sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below.

The Class X Noteholders shall not be entitled to hold meetings or pass resolutions (including Extraordinary Resolutions).

A meeting as referred to above (an "**Extraordinary Resolution**") may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution shall be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes in respect of that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution can be adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented, except if the Extraordinary Resolution relates to the removal and replacement of any or all of the managing directors of the Issuer Security Trustee, in which case at least 30 per cent. of the Notes of the relevant Class should be represented at such second meeting.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be, shall take effect unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Mezzanine Class B Noteholders, Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders or the Subordinated Class F Noteholders, as the case may be.

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Mezzanine Class C Noteholders and/or the Junior Class D Noteholders and/or the Junior Class E Noteholders and/or the Subordinated Class F Noteholders shall only be effective when the Issuer Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders and/or, as the case may be, the Mezzanine

Class B Noteholders and/or, as the case may be, the Mezzanine Class C Noteholders and/or, as the case may be, the Junior Class D Noteholders and/or, as the case may be, the Junior Class D Noteholders and/or, as the case may be, the Subordinated Class F Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders and/or, the Mezzanine Class B Noteholders and/or the Mezzanine Class C Noteholders and/or the Junior Class D Noteholders and/or the Junior Class E Noteholders and/or the Subordinated Class F Noteholders, as the case may be. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which will be binding on the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders, irrespective of the effect on their interests.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

(b) Modification, authorisation, waiver and substitution without consent of Noteholders

The Issuer Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of these Conditions, the Trust Deed or any other Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, which is in the opinion of the Issuer Security Trustee not materially prejudicial to the interests of the Noteholders, provided that (x) the Issuer Security Trustee has notified the Rating Agencies and (y) the Rating Agencies have confirmed that the then current ratings assigned to the Notes will not be adversely affected by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Issuer Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

The Issuer Security Trustee shall be entitled to assume without further enquiry, for the purpose of exercising any powers, 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 Notes if the Rating Agencies have provided, to the extent a Rating Agency wishes to do so, written confirmation that the then current rating of the Notes will not be downgraded, withdrawn or qualified as a result of such exercise.

The Issuer Security 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 Issuer Security 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 joint and several debt undertaking set out in the Issuer Security Documents). Any such substitution shall be notified to the Noteholders, the Irish Stock Exchange, the Rating Agencies and any other authority required to be notified under applicable law in accordance with Condition 13 (*Notices*). In the case of any such substitution of the Issuer, the Issuer Security 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 Issuer Security 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 Financial Regulator in Ireland and the Irish Stock Exchange.

(c) *Indemnification for individual Noteholders*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Issuer Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Mezzanine Class B Noteholders and the Mezzanine Class C Noteholders and the Junior Class D Noteholders and the Junior Class E Noteholders and the Subordinated Class F Noteholders each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Issuer Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(d) *No voting rights*

The holder of a Class X Note shall have no voting rights at the meeting of Noteholders.

15. Replacements of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Principal Paying Agent or Irish Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, and in the case of Coupons together with the Note and all unmatured Coupons to which they appertain (*mantel en blad*), before replacements will be issued.

16. Governing Law

The Notes and Coupons are governed by, and will be construed in accordance with, the laws of the Netherlands. In relation to any legal action or proceedings arising out of or in

connection with the Notes and Coupons the Issuer irrevocably submits to the jurisdiction of the Court of first instance (*rechtbank*) in Amsterdam, the Netherlands. This submission is made for the exclusive benefit of the holders of the Notes and the Issuer Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Senior Class A Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 398,150,000, (ii) in the case of the Class X Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 50,000, (iii) in the case of the Mezzanine Class B Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 47,100,000, (iv) in the case of the Mezzanine Class C Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 53,550,000, (v) in the case of the Junior Class D Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 64,300,000 and (vi) in the case of the Junior Class E Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 49,200,000 and (vi) in the case of the Subordinated Class F Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 26,050,000. Each Temporary Global Note will be deposited with Euroclear Bank CSK, as common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") on or about 25 July 2007. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each such Temporary Global Note to the respective account of the Lead Manager (or such account as it may have directed). Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than forty (40) days after the issue date of the Notes (the "**Exchange Date**") for interests in a permanent global note (each a "**Permanent Global Note**"), in bearer form, without coupons attached, in the amount of the Notes of the relevant Class (the expression "**Global Notes**" meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression "**Global Note**" means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common safekeeper. Title to the Global Notes will pass by delivery (*levering*).

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of the ICSD's as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for notes in definitive form only in the circumstances described below. Such notes in definitive form shall be issued in denominations of euro 50,000 or, as the case may be, in the Principal Amount Outstanding of the Notes of such Class on such issue date. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note

will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For so long as all of the Notes are represented by the Global Notes, such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg. Notices to Noteholders, may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13 (*Notices*) (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For so long as a Class of the Notes are represented by a Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of that Class of Notes will be treated by the Issuer and the Issuer Security Trustee as a holder of such amount of that Class of Notes and the expression "**Noteholder**" shall be construed accordingly, but without prejudice to the entitlement of the bearer of the relevant Global Note to be paid on the principal amount thereof and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the respective principal amount of such Notes held by them shall be conclusive for all purposes.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following a Notes Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Issuer Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent or the Irish Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

- (i) Senior Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A Notes; and
- (ii) Class X Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class X Notes; and
- (iii) Mezzanine Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class B Notes; and
- (iv) Mezzanine Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class C Notes; and
- (v) Junior Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class D Notes;
- (vi) Junior Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class E Notes; and
- (vii) Subordinated Class F Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class F Notes.

in each case within thirty (30) days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

NETHERLANDS TAXATION

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.

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;
- (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

The Joint Lead Managers have, pursuant to a subscription agreement dated on or about the Closing Date between the Joint Lead Managers and the Issuer (the "**Subscription Agreement**") agreed with the Issuer, subject to certain conditions, to jointly and severally subscribe for the Notes at their issue price. The Issuer has agreed to indemnify and reimburse the Joint Lead Managers against certain liabilities and expenses in connection with the issue of the Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospective Directive (each, a "**Relevant Member State**"), each of the Joint Lead Managers has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State, at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two (2) or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The Netherlands

Each of the Joint Lead Managers represent, warrant and agree that (a) it is a PMP and (b) it has offered or sold and will offer or sell, directly or indirectly, as part of the initial distribution or at any time thereafter, the Notes exclusively to PMP's.

United Kingdom

Each of the Joint Lead Managers represent, warrant and agree that (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (ii) 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.

Belgium

Each of the Joint Lead Managers represent, warrant and agree that this offering does not constitute a public offering in Belgium within the meaning of the Law of 16 June 2006 and no steps may be taken which would constitute or result in a public offering of the Notes in Belgium. In addition, pursuant to the Belgian Law of 14 December 2005 on the abolition of bearer securities it will no longer be possible to physically deliver in Belgium bearer securities issued under foreign law as from 1 January 2008.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or any other applicable securities law. Subject to certain exceptions, the Notes may not be offered, sold, or delivered within the United States or to, or for the account or benefit of, U.S. persons.

Each of the Joint Lead Managers has agreed that it will not offer, sell or deliver the Notes within the United States or to or for the account of U.S. persons except as permitted by applicable law and the Subscription Agreement. In addition, until forty (40) days after the purchase, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the purchase) may violate the registration requirements of the Securities Act. As applicable, terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act.

Notice to investors

The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered or sold in the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other laws. Accordingly, the Notes (and any interests therein) are being offered and sold outside the United States to non-US persons in compliance with Regulation S under the Securities Act.

The Notes will be represented upon issuance by a temporary global security which is not exchangeable for definitive securities until the expiration of the 40-day distribution compliance period and, in the case of persons other than distributors, until certification of beneficial ownership of the Notes by a non-U.S. person or a U.S. person who purchased the Notes in a transaction that does not require registration under the Securities Act.

The Notes will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE ISSUE DATE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A US PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES".

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

General

The distribution of this Offering Circular and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 9 July 2007.
2. It is expected that admission to the Official List of the Irish Stock Exchange and to trading on the regulated market of the Irish Stock Exchange will be granted on or about the Closing Date, subject only to the issue of the Global Notes. The application will be cancelled if the Global Notes are not issued. Transactions will normally be effected for settlement in euro and for delivery on the second working day after the day of the transaction.
3. The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 030756592 and ISIN XS0307565928.
4. The Class X Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 030757190 and ISIN XS0307571900
5. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 030757459 and ISIN XS0307574599.
6. The Mezzanine Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 030757670 and ISIN XS0307576701.
7. The Junior Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 030757874 and ISIN XS0307578749.
8. The Junior Class E have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 030758030 and ISIN XS0307580307.
9. The Subordinated Class F have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 030758137 and ISIN XS0307581370.
10. There has been no material adverse change in the financial position or prospects of the Issuer since 21 May 2007.

11. PricewaterhouseCoopers Accountants N.V. has given and has not withdrawn its written consent to the inclusion of its confirmation in this Offering Circular in the form and context in which it appears.
12. Colliers International Eindhoven has given and has not withdrawn its written consent to the inclusion of the Valuation Report in this Offering Circular in the form and context in which it appears.
13. Since the date of its incorporation, the Issuer has not been involved in any legal, arbitration or governmental proceedings which may have a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.
14. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes (other than the Class X Notes) to the Official List of the Irish Stock Exchange or to trading on its regulated market for the purpose of the Prospectus Directive.
15. Copies of the following documents (subject to modifications) may be inspected in physical or electronic format at the specified offices of the Issuer Security Trustee and the Principal Paying Agent during normal business hours, as long as any Notes are outstanding:
 - (i) the Offering Circular;
 - (ii) the deed of incorporation of the Issuer including the articles of association;
 - (iii) the Loan Transfer Agreement;
 - (iv) the Borrower Parallel Debt Transfer Agreement;
 - (v) the Paying Agency Agreement;
 - (vi) Trust Deed;
 - (vii) Issuer Accounts Bank Agreement;
 - (viii) the Security Beneficiaries Agreement;
 - (ix) the Loan Receivables Pledge Agreement;
 - (x) Issuer Rights Pledge Agreement;
 - (xi) the Issuer Accounts Pledge Agreement;

- (xii) the Servicing Agreement;
 - (xiii) the Liquidity Facility Agreement;
 - (xiv) the Master Definitions Agreement;
 - (xv) the Subscription Agreement;
 - (xvi) the Original Financial Statements of (i) Breevast Properties I B.V., (ii) B.V. De Veegtes IV and (iii) Hypermarkten Holland B.V.;
 - (xvii) the deed of incorporation of (i) Breevast Properties I B.V., (ii) B.V. De Veegtes IV and (iii) Hypermarkten Holland B.V.;
 - (xviii) the articles of association of (i) Breevast Properties I B.V., (ii) B.V. De Veegtes IV and (iii) Hypermarkten Holland B.V.; and
 - (xix) the articles of association of the Issuer Security Trustee.
16. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes (other than the Class X Notes) are listed on the Official List of the Irish Stock Exchange, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Issuer Security Trustee.
17. Fees and expenses relating to the issuance of the Notes, including the fees in relation to the application for admission of the Notes (other than the Class X Notes) to the Official List of the Irish Stock Exchange and to trading on its regulated market, are expected to be approximately € 915,120.
18. In order to assist in its compliance with the European Commission's Market Abuse Directive (Directive 2003/6/EC), the Issuer has instructed the Servicer to notify it of any the following information of which they become aware:
- (i) in the case of the Servicer, any information relating to any Loan or Property, as applicable, that the Servicer reasonably determines is likely to have a material impact on the value of such Loan or Property and which is not, to the Servicer's knowledge, already publicly available information, to the extent that the Servicer has actual knowledge of the same; and
 - (ii) in the case of the Servicer (in its capacity as administrator only), certain information including (without limitation) any shortfall in the collection of interest or principal amounts due on any due date, (as notified by the Servicer), any claim, legal action

or proceeding against the Issuer (of which the Servicer has received notice), the service of a Note Enforcement Notice by the Issuer Security Trustee, any default on any payment of interest due and payable on any class of Notes on any Notes Interest Payment Date and ratings downgrade of certain transaction parties.

The Issuer will procure that such information is disclosed by making it available to any Regulatory Information Service maintained by the Irish Stock Exchange. Such information can, as at the date of this Offering Circular, be accessed through the "Company Announcements" section of the Irish Stock Exchange's website at www.ise.ie and searching under the name of the Issuer. Except as aforesaid or as otherwise outlined herein, the Issuer does not intend to provide any post issuance information in relation to the Notes.

19. This Offering Circular constitutes a prospectus for the purpose of the Prospectus Directive.

SCHEDULE 1 - THE BORROWERS

The Facility A Borrowers:

1. Breevast Properties Holding B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade register of the chamber of commerce under number 342509977.
2. Breevast Properties I B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade register of the chamber of commerce under number 34260893.
3. Portalen Monumenten B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade register of the chamber of commerce under number 34183307.
4. Breevast Monumenten (A) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade register of the chamber of commerce under number 30070011.
5. C.V. City Centrum Noviomagum, a limited partnership (*commanditaire vennootschap*) incorporated under the laws of the Netherlands registered with the trade register of the chamber of commerce under number 17098073.
6. Breevast Vastgoed Exploitatie XXXII B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands registered with the trade register of the chamber of commerce under number 24307696.
7. Beheer Nieuwendijk Amsterdam C.V., a limited partnership (*commanditaire vennootschap*) incorporated under the laws of the Netherlands registered with the trade register of the chamber of commerce under number 17092427.
8. Beheer Stadhuisplein C.V., registered with the trade register of the chamber of commerce under number 17092965.

Each a "Facility A Borrower" and collectively, the "Facility A Borrowers".

The Facility B Borrower

9. B.V. De Veegtes IV, a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) incorporated under the laws of the Netherlands and registered with the trade register of the chamber of commerce under number registered with the trade register of the chamber of commerce under number 17089095 (the "**Facility B Borrower**").

The Facility B Borrower and each Facility A Borrower a "**Borrower**" and collectively the "**Borrowers**".

SCHEDULE 2 - THE PORTFOLIO

Portfolio Date as per the Cut-Off Date

Part A- Breevast Portfolio

	Property	Legal Owner	Allocated Loan Amount (EUR)
1	Algolweg 5	Breevast Properties I B.V.	2,740,762
2	Basisweg 48	Breevast Properties I B.V.	1,900,529
3	Frederiksplein 1	Breevast Properties I B.V.	7,069,966
4	J.J. Viottastraat 33	Breevast Monumenten (A) B.V.	2,136,594
5	J.J. Viottastraat 39	Breevast Monumenten (A) B.V.	2,220,618
6	J.J. Viottastraat 46-48	Breevast Properties I B.V.	3,933,094
7	Laarderhoogtweg 18-20	Breevast Properties I B.V.	19,449,410
8	Lemelerbergweg 20	Breevast Properties I B.V.	4,685,303
9	Lemelerbergweg 21-25/59-63	Breevast Properties I B.V.	4,773,328
10	Lemelerbergweg 28-29	Breevast Properties I B.V.	3,801,057
11	Lemelerbergweg 31-32	Breevast Properties I B.V.	12,375,442
12	Lemelerbergweg 35	Breevast Properties I B.V.	4,949,377
13	Lemelerbergweg 36-37	Breevast Properties I B.V.	8,222,287
14	Lemelerbergweg 41-55	Breevast Properties I B.V.	7,250,016
15	Moezelhavenweg 7	Breevast Properties I B.V.	2,032,565
16	Nieuwendijk 200-202	Beheer Nieuwendijk Amsterdam C.V.	5,921,647
17	Prinses Irenestraat 59-61	Breevast Properties I B.V.	31,824,852
18	Scharenburg 1	Breevast Properties I B.V.	20,333,655
19	Slotermeerlaan 80	Breevast Properties I B.V.	5,833,623
20	Stadhouderskade 1	Portalen Monumenten B.V.	20,333,655
21	Weesperstraat 107	Breevast Properties I B.V.	26,519,376
22	Weteringschans 165	Breevast Properties I B.V.	7,069,966
23	Heerlenstraat 65	Breevast Properties I B.V.	2,960,824
24	Venlosingel 7, 11, 17, 21, 23	Breevast Properties I B.V.	21,213,900
25	Oosteinde 11	Breevast Properties I B.V.	328,091
26	Zuideinde 80	Breevast Properties I B.V.	2,048,570
27	Poortweg 19	Breevast Properties I B.V.	884,246
28	Voorerf 29-33	Breevast Properties I B.V.	1,304,363
29	Olmenlaan 2-44	Breevast Properties I B.V.	8,838,458
30	Noordeinde 35	Breevast Properties I B.V.	1,544,430
31	Spui 12	Breevast Properties I B.V.	1,484,413
32	Keizerstraat 23	Portalen Monumenten B.V.	1,148,319
33	Mercuriusstraat 38	Breevast Properties I B.V.	288,080
34	Tussendiepen 2	Breevast Properties I B.V.	6,429,788
35	Geldropseweg 163-189	Beheer Stadhuisplein C.V.	820,228
36	Geldropseweg 163-189	Beheer Stadhuisplein C.V.	2,456,683
37	Keizersgracht 14	Breevast Properties I B.V.	2,164,602
38	Langendijk 10	Breevast Properties I B.V.	5,673,578
39	Schimmelt 34	Breevast Vastgoed Exploitatie XXXII B.V.	28,287,868

40	Stadhuisplein 4	Beheer Stadhuisplein C.V.	7,069,966
41	Vonderweg 11	Breevast Vastgoed Exploitatie XXXII B.V.	14,496,032
42	Zwaanstraat 1	Breevast Properties I B.V.	1,228,342
43	Molenstraat 1	Breevast Properties I B.V.	388,108
44	Gedempte Zuiderdiep 12	Breevast Properties I B.V.	7,514,090
45	Bingerweg 1	Breevast Properties I B.V.	536,149
46	Jan Campertstraat 5	Breevast Properties I B.V.	5,077,412
47	Zuidijk 11	Breevast Properties I B.V.	284,079
48	Enschedeesestraat 45	Breevast Properties I B.V.	620,172
49	De Molen 94-98	Breevast Properties I B.V.	2,652,738
50	Klarenanstellerweg 14	Breevast Properties I B.V.	476,132
51	Ambachtweg 29	Breevast Properties I B.V.	776,216
52	Molenpoort 1	C.V. City Centrum Noviomagum	37,994,568
53	Werkmansbeemd 30	Breevast Properties I B.V.	1,416,394
54	Eikenburglaan 9	Breevast Properties I B.V.	1,152,320
55	Nieuwe Passage	Breevast Vastgoed Exploitatie XXXII B.V.	40,663,310
56	Industrieweg 5	Breevast Properties I B.V.	276,077
57	Edisonstraat 22-24	Breevast Properties I B.V.	264,073
58	Ekkersrijt 4504	Breevast Properties I B.V.	1,064,296
59	Ottersveen 107	Breevast Properties I B.V.	136,038
60	Rondairestraat 17	Breevast Properties I B.V.	1,024,285
61	Beneluxlaan 2-6	Breevast Properties I B.V.	6,761,881
62	Domstraat 4	Portalen Monumenten B.V.	1,988,553
63	Jaarbeursplein 24	Breevast Properties I B.V.	30,940,606
64	Niels Bohrweg 171	Breevast Properties I B.V.	1,636,455
65	Potterstraat 4	Breevast Properties I B.V.	768,214
66	Vredenburg 27	Breevast Properties I B.V.	928,258
67	Talingsingel 26	Breevast Properties I B.V.	192,053
68	Papierbaan 17	Breevast Properties I B.V.	264,073
69	Laan van Rijnwijk 2	Breevast Properties I B.V.	616,171
70	Boerhaavelaan 1/3/5	Breevast Properties I B.V.	48,621,523
71	Meerzicht	Breevast Properties I B.V.	25,635,130
72	Tersteeghering 1	Breevast Properties I B.V.	788,219
73	Curieweg 6	Breevast Properties I B.V.	340,095

Part B- De Veegtes Portfolio

	Property	Legal Owner	Allocated Loan Amount (EUR)
74	Pampusweg 1,2,3 & 4	B.V. De Veegtes IV	54,276,924
75	Snekertrekweg 21 & 23	B.V. De Veegtes IV	12,492,307
76	Keersomstraat 3, 5 & 7	B.V. De Veegtes IV	11,200,000
77	Nijmeegseweg 2-28	B.V. De Veegtes IV	62,030,769

SCHEDULE 3 – FINANCIAL INFORMATION B.V. DE VEEGTES IV

The information in this Schedule 3 (Financial Information B.V. De Veegtes IV) consists of an unofficial translation of the audited accounts over 1 October 2004 – 31 December 2005 and the period 1 January 2006 - 30 September 2006 and the period as published with the relevant Chamber of Commerce for Oost-Brabant, the Netherlands.

ANNUAL ACCOUNTS
B.V. DE VEEGTES IV, VENLO

as at 31st December 2005

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- 3 Accounting principles
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- 4.2 Explanatory notes to the profit and loss account

Other details

1. Audit report
2. Profit appropriation

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BALANCE SHEET AS AT 31st DECEMBER 2005
(following profit appropriation)

A s s e t s

	€	31-12-2005 €	€	30-09-2004 €
Fixed assets				
Tangible fixed assets				
Business premises and – parks	<u>134,245,751</u>		<u>122,744.001</u>	
		134,245,751		122,744.001
Financial fixed assets				
Participations in group companies	<u>0</u>		<u>33,281</u>	
		0		33,281
Current assets				
Claims				
Claims against group companies	1,976,176		2,030,155	
Taxes and social security contributions	<u>2,782</u>		<u>14,875</u>	
		1,978,958		2,045,030
		0		2,054,812
Total asset value		<u>136,224,709</u>		<u>126,877,124</u>

Liabilities

	31-12-2005		30-09-2004	
	€	€	€	€
Equity capital				
Paid and called up part of the capital	6,723		56,723	
Other reserves	<u>1,574,729</u>		<u>(32,691)</u>	
		1,631,452		24,032
Provisions				
Contingent tax liabilities	739,180		0	
Other provisions	<u>66,105</u>		<u>0</u>	
		805,285		0
Long-term liabilities				
Credit institutions	127,841,948		121,526,497	
Affiliated companies	<u>4,756,116</u>		<u>4,758,632</u>	
		132,598,064		126,285,129
Current liabilities				
Credit institutions	666,045		0	
Trade creditors	8,811		19	
Other liabilities	<u>515,052</u>		<u>567,944</u>	
		1,189,908		567,963
Total liabilities		<u>136,224,709</u>		<u>126,877,124</u>

**PROFIT AND LOSS ACCOUNT COVERING THE PERIOD OF 1ST OCTOBER 2004
UP TO AND INCLUDING 31ST DECEMBER 2005**

	€	2004/2005 €	€	2003/2004 €
Operating income out of immovable property	<u>11,615,900</u>		<u>226,419</u>	
		11,615,900		226,419
Other operating costs		<u>613,020</u>		<u>171,678</u>
		11,002,880		54,741
Interest income	----		129,426	
Interest charges	<u>8,511,280</u>		<u>156,628</u>	
		<u>(8,511,280)</u>		<u>(27,202)</u>
Results on ordinary activities				
before taxation		2,491,600		27,539
Taxes		(784,794)		(9,500)
Share in the result of participations		(99,386)		33,281
		<u>1,607,420</u>		<u>51,320</u>
Results after taxation		<u>1,607,420</u>		<u>51,320</u>

PRINCIPLES

General

No consolidation has taken place on account of the extent on a consolidated basis, which does not exceed the bounds for small juristic persons (article 407, paragraph 2 Civil Code).

The annual accounts have been drawn up in accordance with Title 9, Book 2, Dutch Civil Code and the accounting principles generally accepted in the Netherlands.

On 23rd September 2005 the articles of association of the company were amended. The financial year has been adapted and from now onwards will coincide with the calendar year. The first financial year is an extended financial year running from 1st October 2004 up to and including 31st December 2005. As a consequence of the extended financial year the comparative figures are comparable to a limited extent only.

Accounting principles

Tangible fixed assets

The business premises and parks have been valued at current cost, being the value when sold by private treaty encumbered by tenancy.

Long-terms investments

Participating interests in group companies are at net asset value. In the case of a negative net asset value valuation is made at nil and, if necessary, provisions are made on the liabilities side of the balance sheet.

Claims

The claims have been valued at the nominal value, if required after deducting a provision for uncollectibility.

Provisions

For the temporary difference between the commercial and the tax valuation of the tangible fixed assets a provision for deferred tax liabilities is created at the tax rate nominally due.

Other items

All other items on the balance sheet have been valued at nominal value.

PRINCIPLES FOR DETERMINATION OF RESULTS

Share in the result from participating interests

The share in the result from participating interests represents the share of the company in the participating interests valued at net asset value.

Operating costs

All operating costs are calculated at historic cost and are allocated to the period to which they apply.

Taxes

The company jointly with its parent company and other companies forms part of a tax entity for the corporation tax and for that reason it is jointly and severally liable for the tax arrears of the tax entity as a whole. The taxes are calculated as though the company were an independent taxpayer.

EXPLANATORY NOTES TO THE BALANCE SHEET

Tangible fixed assets

The course during the year under review can be reproduced as follows:

	Business premises and business parks
	€
Book value as at 30th September 2004	122,744,001
Investments 2004/2005	11,501,750
Book value as at 31st December 2005	134,245,751
Cumulative depreciation	--

In September 2004 the company acquired the bare ownership of the immovable property at Venlo, Muiden, Ede and Leeuwarden. Hypermarkten Holland B.V. holds the ground lease. The historical cost of the bare ownership represents the current value on the balance sheet date. The ground rent runs till 2040. The annual amount for 2004/2005 amounts to € 9.3 million. The lease of these premises rests with Hypermarkten Holland B.V.

Long-term investments

Participating interests in group companies consist of the 100% participation Hypermarkten Holland B.V. of Geldrop.

With effect from 21st September 2004 11 preference shares were taken over from Bouwfonds Real Estate Services B.V., by which full ownership and control have been acquired. Position at year-end 2005 is nil due to negative equity value. To this effect a provision has been created, because Veegetes IV and its participating interest together are liable for debts.

The course of the participating interests in group companies in 2004/2005 was as follows:

	€
Position as at 30th September 2004	33,281
Results 2004/2005	(99,386)
Position as at 31st December 2005	(66,105)
Creation of a provision in connection with negative equity value	66,105
	0

Equity capital

Paid and called up part of the capital

The authorized share capital of the company amounts to € 283,613 and is composed of 6,250 ordinary shares of € 45.38 nominal value. Of them 1,250 shares have been placed and paid-up. All shares are held by B.V. De Veegtes I of Venlo.

Other reserves

The course of this item may be shown as follows:

Balance as at 30th September 2004	(32,691)
Plus: from proposed determination of results 2004/2005	1,607,420
Balance as at 31st December 2005	<u>1,574,729</u> =====

PROVISIONS

Deferred tax liabilities

The provision is due to differences between valuation for tax purposes and commercial valuation of tangible fixed assets and is made at the tax percentage nominally due.

Other provisions

This is a provision due to the negative net asset value of the company.

Long-term liabilities

As long-term liabilities to credit institutions have been included four loans with an average interest rate of 5%.

€

The term of the loans is the following:

< 1 year	1,088,537
1 – 5 years	4,195,771
> 5 years	122,557,640
	<u>127,841,948</u>
	=====

The debts to affiliated companies have a duration of over five years. The rate of interest of these debts is 2,4% (quarterly Euribor).

For the long-term liabilities to credit institutions the following securities have been provided:

- mortgage on the immovable properties of the company;
 - right of pledge on a long-term lease;
 - right of pledge on bank accounts;
 - subordinated loan granted by B.V. De Veegtes I.
- * earn out credit grantor; in the case of a profitable sale of the premises the credit provider will receive 25% of such sales performance, after payment of all debts.

NOTES ON THE PROFIT AND LOSS ACCOUNT

Staff

The company does not employ any staff members.

The Board of Directors,

Geldrop

FURTHER PARTICULARS

AUDIT REPORT

Audit assignment

We have audited the annual accounts covering the period from 1st October 2004 up to and including 31st December 2005 of B.V. De Veegtes IV. The annual accounts were prepared under the responsibility of the management of the company. It is our responsibility to issue an audit report on the annual accounts.

Work

We have conducted our audit in accordance with auditing standards generally accepted in the Netherlands. According to these standards our audit must be planned and exercised such as to reach a reasonable degree of certainty that the annual accounts do not contain inaccuracies of substantial importance. An audit shall include among other things an examination by means of audit sampling of information to substantiate the amounts and explanatory notes to the annual accounts. At the same time an audit contains an assessment of the principles of financial reporting practised in drawing up the annual accounts and of important valuations made for the purpose by the management of the company, together with an evaluation of the entire picture produced by the annual accounts. We are of the opinion that our audit forms a sound basis for our opinion.

Opinion

We are of the opinion that the annual accounts give a true and fair view of the amount and composition of the assets on 31st December 2005 and of the results covering the period from 1st October 2004 up to and including 31st December 2005 in accordance with the principles generally accepted in the Netherlands for financial accounting and satisfies the conditions prescribed by law and complies with the statutory provisions in respect of the annual accounts contained in Title 9 Book 2 of the Civil Code.

Eindhoven, 2nd June 2006

Ernst & Young Accountants
on their behalf

sgd.: illegible

sgd.: illegible

Drs. S.G.C. Seijkens RA

Prof.dr.mr.P.M. van der Zanden RA

PROFIT APPROPRIATION

The provisions in the articles of association with regard to the profit appropriation and the treatment of the loss read as follows:

Article 18

The profit remains at the free disposal of the general meeting of shareholders.

Article 19

1. Profits will be distributed after adoption of the annual accounts showing that this is justified.
The dividend will be made available for payment within four weeks of its adoption, unless the general meeting should fix a different date for the purpose.
2. Subject to the provisions of paragraph 4 and if the general meeting so decides on the motion of the board of directors, an interim dividend will be paid, including an interim distribution of reserves.
3. The general meeting of shareholders may decide for the dividends to be paid wholly or partially in a form different from cash payment.
4. Profits will be distributed only to the extent the company's equity capital is more than the issued capital increased by the reserves to be maintained under the law.
5. A deficit may only be offset against the reserves prescribed by the law to the extent permitted by law.

Proposal for profit appropriation 2004/2005

In anticipation of a resolution to be adopted to this effect by the General Meeting of Shareholders, the results of the past financial year in the amount of € 1,607,420 have been brought to the favour of the other reserves.

FINANCIAL STATEMENTS
B.V. DE VEEGTES IV, VENLO

as at 31 December 2006

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Total number of pages in this report: 14

REPORT OF THE MANAGEMENT BOARD

The Report of the Management Board is available for inspection at the offices of the company.

BALANCE SHEET AS AT 31 DECEMBER 2006
(before profit distribution)

Assets

	<u>31/12/2006</u>		<u>31/12/2005</u>	
	€	€	€	€
Fixed assets				
Tangible fixed assets				
Land and buildings	<u>162,549,119</u>		<u>134,245,751</u>	
		162,549,119		134,245,751
Financial fixed assets				
Participations in group companies	<u>--</u>		<u>--</u>	
		--		--
Current assets				
Claims				
Receivables from group companies	1,339,024		1,976,176	
Taxes and social security contributions	<u>6,847</u>		<u>2,782</u>	
		1,345,871		1,978,958
Cash reserves		1,346,517		-
Total assets		<u>165,241,507</u>		<u>136,224,709</u>

Liabilities

	31/12/2006		31/12/2005	
	€	€	€	€
Shareholders' equity				
Paid-up and called-up capital	56,723		56,723	
Revaluation reserve	28,299,503		-	
Other reserves	1,574,729		(32,691)	
Unappropriated profit	(18,737,721)		1,607,420	
		11,193,234		1,631,452
Provisions				
Deferred tax liabilities	4,984,105		739,180	
Other provisions	139,227		66,105	
		5,123,332		805,285
Long-term liabilities				
Credit institutions	140,000,000		127,841,948	
Other	4,756,116		4,756,116	
		144,756,116		132,598,064
Current liabilities				
Credit institutions	--		666,045	
Trade payables	14,451		8,811	
Affiliated companies	2,750,000		--	
Other liabilities, accruals and deferred income	1,404,374		515,052	
		4,168,825		1,189,908
Total liabilities		<u>165,241,507</u>		<u>136,224,709</u>

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1 JANUARY 2006 THROUGH
31 DECEMBER 2006**

	2006		2004/2005	
	€	€	€	€
Operating income from real estate	9,572,188		11,615,900	
Unrealised revaluation Real estate	28,299,503		--	
		37,871,691		11,615,900
Other operating expenses		307,002		613,020
		37,564,689		11,002,880
Financial income	--		--	
Financial expenses	23,684,860		8,511,280	
		(23,684,860)		(8,511,280)
Profit on ordinary activities before taxation		13,879,829		2,491,600
Taxation		(4,244,925)		(784,794)
Share of the profit from participations		(73,122)		(99,386)
Profit after taxes		<u>9,561,782</u>		<u>1,607,420</u>

ACCOUNTING PRINCIPLES

General

No consolidation has been made pursuant to Book 2, Section 408 of the Dutch Civil Code. The figures of the company and its subsidiary have been included in the consolidated financial statements of Woonboulevard Venlo B.V. in Eindhoven, the Netherlands.

The financial statements have been prepared in accordance with Title 9, Book 2, of the Dutch Civil Code. The valuation of assets and liabilities and the determination of the result are based on the historical cost convention. Assets and liabilities are recorded at face value, unless another basis is stated for the specific balance sheet item.

Income and expenditure are recognised in the year to which they relate. Profits are recognised only to the extent they were realised on the balance sheet date. Obligations and losses, if any, originating before the end of the year under review will be taken into account if they were identified before the financial statements were drawn up.

The comparative figures relate to an extended financial year, running from 1 October 2004 through 31 December 2005.

Valuation Principles

Tangible fixed assets

The land and buildings are carried at their current value, which is the private sale value in a leased state, based on independent valuations.

Financial fixed assets

Participations in group companies are carried at net asset value. In the event of negative equity, the valuation is set at nil and, if necessary, a provision is included on the liability side of the balance sheet.

Receivables

Receivables are stated at face value, if necessary less a provision for bad debts.

Provisions

A provision for deferred taxes has been made using the approximate cash value - set at 15% - for the temporary difference between the valuation of tangible fixed assets for financial reporting purposes and for tax purposes.

Other items

All other items on the balance sheet are carried at face value.

Accounting Principles**Share of the profit from participations**

The share of the profit from participations is the company's share in the participations carried at net asset value. In the event of negative equity, where a provision is made for the negative equity, this also includes the adjustment of the provision for participations with negative equity.

Operating expenses

All operating expenses are calculated using historical prices and are allocated to the period to which they relate.

Taxation

Together with its parent company and other companies, the company is part of a tax unity for corporate income tax and turnover tax purposes. Since 2006, the parent company has borne the immediate corporate income tax liability.

NOTES TO THE BALANCE SHEET**Tangible fixed assets**

Movements in the year under review can be summarised as follows:

	Land and buildings €
Book value at 1 January 2006	134,245,751
2006 capital expenditure	3,865
Revaluation	<u>28,299,503</u>
Book value at 31 December 2006	<u>162,549,119</u>
Accumulated depreciation	<u>—</u>

In September 2004, the company acquired the bare ownership of the real estate in Venlo, Muiden, Ede, and Leeuwarden. The ground rent expires in 2040. The annual amount for 2006 is EUR 9.4 million. The leasehold of these buildings is vested in Hypermarkten Holland B.V. The historical acquisition price is EUR 134.2 million.

Financial fixed assets

Participation in group companies consists of the wholly-owned participation Hypermarkten Holland B.V. in Geldrop, the Netherlands.

The balance at year-end 2006 is nil, as a result of negative equity. A provision has been made for this, because Veegtes IV and its participation are jointly liable for debts.

Shareholders' equity**Paid-up and called-up capital**

The company's authorised share capital amounts to EUR 283,613 and comprises 6,250 ordinary shares, each having a nominal value of EUR 45.38. 1,250 of these shares have been issued and paid-up. All shares are held by B.V. De Veegtes I in Venlo, the Netherlands.

Revaluation reserve

Movements can be summarised as follows:

	€
Balance at 1 January 2006	--
Revaluation adjustments	28,299,503
Balance at 31 December 2006	<u>28,299,503</u>

Other reserves

Movements can be summarised as follows:

Balance at 1 January 2006	(32,691)
2005 profit appropriation	1,607,420
Balance at 31 December 2006	<u>1,574,729</u>

Unappropriated profit

Movements can be summarised as follows:

Balance at 1 January 2006	1,607,420
2005 profit appropriation	(1,607,420)
Revaluation adjustment	(28,299,503)
Unappropriated profit	9,561,782
Balance at 31 December 2006	<u>(18,737,721)</u>

Provisions**Deferred taxes**

The provision is the result of differences in the valuation of tangible fixed assets for financial reporting purposes and for tax purposes, and is included at 15%, which best approximates the cash value.

Movements can be summarised as follows:

	€
Balance at 1 January 2006	739,180
Allocations	4,244,925
Balance at 31 December 2006	<u>4,984,105</u>

Other provisions

This is a provision as a result of the company's negative equity.

Movements can be summarised as follows:

Balance at 1 January 2006	66,105
Plus: negative results of participations	<u>73,122</u>
Balance at 31 December 2006	<u>139,227</u>

Long-term liabilities

The interest rate for long-term liabilities to credit institutions is 3-month Euribor + 0.7%. The debts have a remaining term of more than five years.

The following security has been provided for the long-term liabilities to credit institutions:

- mortgage on the company's immovable property;
- right of pledge in ground lease;
- right of pledge in bank accounts;
- right of pledge in intercompany receivables and payables;
- right of pledge in shares in Hypermarkten Holland B.V.;
- subordination of intercompany receivables and payables.

In addition, B.V. De Veegtes IV is jointly and severally liable for the total amount of the loans contracted.

A swap agreement was concluded in order to hedge the interest exposure, which swap turns the flexible interest rate into a fixed interest rate.

The debts to affiliated companies comprise a loan from the shareholder.

The amount of EUR 4,756,116 is a subordinated loan with a term of more than five years and an interest rate of 3-month Euribor.

Off-balance sheet liabilities

Together with its parent company and other companies, the company is part of a tax unity for corporate income tax and turnover tax purposes and, as a result, is jointly and severally liable for the tax debts of the fiscal union in its entirety.

NOTES TO THE PROFIT AND LOSS ACCOUNT**Staff**

The company does not employ any staff.

Financial income and expenditure

The financial income from the relationship with the affiliated parties is EUR 141,357 (2005: EUR 129,269).

The Management Board,

Geldrop, 21 June 2007

OTHER INFORMATION

To: the General Meeting of Shareholders of B.V. De Veegtes IV.

AUDITORS' REPORT

Report concerning the financial statements

We have audited the financial statements of B.V. De Veegtes IV, based in Venlo, the Netherlands, for the year ending on 31 December 2006, which statements consist of the balance sheet at 31 December 2006 and the profit and loss account for 1 January 2006 through 31 December 2006, as well as the notes to the profit and loss account.

Responsibility of the Management

The Management of the company is responsible for the preparation of the financial statements, which must accurately reflect equity and results, in accordance with Title 9, Book 2, of the Dutch Civil Code. This responsibility includes the design, implementation and maintenance of an internal management system relevant for the preparation of and the faithful representation in the financial statements of equity and results, such that these do not contain any substantive deviations as a result of fraud or errors, the selection and application of acceptable principles for financial reporting, and making estimates that are reasonable under the given circumstances.

The auditor's responsibility

It is our responsibility to render an opinion on the financial statements based on our audit. We performed our audit in accordance with Dutch law. Accordingly, we are obligated to comply with our code of conduct and to schedule and perform the audit such that a reasonable degree of certainty is obtained that the financial statements do not contain any substantial deviations.

An audit includes the performance of work to obtain audit information regarding the amounts and the explanatory notes in the financial statements. The choice of activities to be performed depends on the auditor's professional determination, including his assessment of the risks of deviations of a substantive nature as a result of fraud or errors. In the assessment, the auditor includes the internal management, which is important for the preparation and a true and faithful representation in the financial statements of the shareholders' equity and the results, in order to be able to make a well-considered choice of auditing activities that are adequate under the given circumstances, but that are not intended to give an opinion on the effectiveness of the entity's internal management system. In addition, an audit includes an evaluation of the acceptability of the financial reporting principles applied and the reasonableness of the estimates made by the entity's Management, as well as an assessment of the overall picture presented by the financial statements.

It is our belief that the verification information we obtained is adequate and suitable as the basis for our opinion.

Opinion

We believe that the financial statements provide a true and faithful picture of the amount and composition of the shareholders' equity of B.V. De Veegtes IV as at 31 December 2006, and of the results for 1 January 2006 through 31 December 2006, in accordance with Title 9, Book 2, of the Dutch Civil Code.

Statement regarding other statutory rules and/or regulations of regulatory bodies

On the basis of the statutory obligation pursuant to Book 2, Section 393 (5) (e) of the Dutch Civil Code, we note that, to the extent that we were able to assess this, the annual report is consistent with the financial statements as required in Book 2, Section 391 (4) of the Dutch Civil Code.

Eindhoven, 21 June 2007

on behalf of Ernst & Young Accountants

drs. S.G.C. Seijkens RA

PROFIT APPROPRIATION

The provisions in the Articles of Association with regard to the appropriation of profit and the treatment of loss read as follows:

Article 18

The profit shall be at the free disposal of the General Meeting.

Article 19

- 1 Profits shall be distributed after adoption of the financial statements evidencing that distribution is permissible.
Dividends shall become payable four weeks after adoption, unless the General Meeting determines another date.
- 2 If the General Meeting so determines on the proposal of the Management Board, an interim dividend will be distributed, including an interim distribution of reserves, without prejudice to the provisions of paragraph 4.
- 3 The General Meeting may decide that dividends shall be fully or partly distributed in a form other than in cash.
- 4 Profits shall only be distributed insofar as the company's equity exceeds the sum of the issued part of the capital, plus the reserves to be maintained pursuant to the law.
- 5 A deficit may only be offset against the statutory reserves insofar as this is allowed by law.

Proposal for the 2006 profit appropriation

It is proposed to the General Meeting of Shareholders that the result after taxes on 2006 – in the positive amount of EUR 9,561,782 – be added to the other reserves. The result after taxes is included in the 'unappropriated profit' item in the shareholders' equity.

REGISTERED OFFICES

ISSUER

MESDAG (Delta) B.V.
Frederik Roeskestraat 123
1076 EE Amsterdam
The Netherlands

SERVICER

NIBC Bank N.V.
Carnegieplein 4
2517 KJ The Hague
The Netherlands

SPECIAL SERVICER

Hatfield Philips International Limited
25 Canada Square, Canary Wharf
34th Floor
London, E14 5LB
United Kingdom

ISSUER SECURITY TRUSTEE

Stichting Security Trustee MESDAG (Delta)
Frederik Roeskestraat 123
1076 EE Amsterdam
The Netherlands

PRINCIPAL PAYING AGENT

NIBC Bank N.V.
Carnegieplein 4
2517 KJ The Hague
The Netherlands

IRISH PAYING AGENT

Custom House Administration & Corporate Services Limited
25 Eden Quay
Dublin 1
Ireland

CALCULATION AGENT

NIBC Bank N.V.
Carnegieplein 4
2517 KJ The Hague
The Netherlands

LISTING AGENT

Arthur Cox Listing Services Limited
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

LIQUIDITY FACILITY PROVIDER

Fortis Bank N.V./S.A.
Montagne du Parc 3
1000 Brussels
Belgium

ISSUER ACCOUNT BANK

ING Bank N.V.
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