

## IMPORTANT NOTICE

### **You must read the following disclaimer before continuing:**

The following disclaimer applies to the attached memorandum (the “**Consent Solicitation Memorandum**”), whether received by e-mail or otherwise as a result of electronic communication and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached document. In accessing the Consent Solicitation Memorandum, you agree to be bound by the terms and conditions below, including any modifications to them from time to time, each time you receive any information from the Tabulation Agent, the Issuer, the Principal Paying Agent, the Master Servicer or the Trustee (each as defined in the attached Consent Solicitation Memorandum).

### **Confirmation of your representation:**

YOU ARE REMINDED THAT YOU HAVE BEEN SENT THE CONSENT SOLICITATION MEMORANDUM ON THE BASIS THAT (I) YOU ARE A HOLDER OR A CUSTODIAN OR INTERMEDIARY ACTING ON BEHALF OF A BENEFICIAL HOLDER OR A BENEFICIAL OWNER OF ANY OF THE £231,000,000 CLASS A COMMERCIAL MORTGAGE-BACKED FLOATING RATE NOTES DUE OCTOBER 2031 (THE “**CLASS A NOTES**”), THE £57,000,000 CLASS B COMMERCIAL MORTGAGE-BACKED FLOATING RATE NOTES DUE OCTOBER 2031 (THE “**CLASS B NOTES**”), THE £54,000,000 CLASS C COMMERCIAL MORTGAGE-BACKED FLOATING RATE NOTES DUE OCTOBER 2031 (THE “**CLASS C NOTES**”) OR THE £54,000,000 CLASS D COMMERCIAL MORTGAGE-BACKED FLOATING RATE NOTES DUE OCTOBER 2031 (THE “**CLASS D NOTES**” AND TOGETHER WITH THE CLASS A NOTES, THE CLASS B NOTES AND THE CLASS C NOTES, THE “**NOTES**”) EACH ISSUED BY THEATRE (HOSPITALS) NO.1 PLC; (II) YOU ARE A PERSON TO WHOM IT IS LAWFUL TO SEND THE CONSENT SOLICITATION MEMORANDUM UNDER ALL APPLICABLE LAWS; (III) YOU CONSENT TO DELIVERY BY ELECTRONIC TRANSMISSION; AND (IV) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET FORTH IN THE ATTACHED CONSENT SOLICITATION MEMORANDUM.

If you are unable to make such confirmations you should contact the Tabulation Agent at the earliest opportunity. The contact details of the Tabulation Agent are set forth on the last page of the attached Consent Solicitation Memorandum.

The Consent Solicitation Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Trustee, the Master Servicer, the Principal Paying Agent, the Tabulation Agent or any person who controls or is a director, officer, employee or agent of any of the Issuer, the Trustee, the Master Servicer, the Principal Paying Agent, the Tabulation Agent or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Consent Solicitation Memorandum distributed to you in electronic format and the hard copy version available for inspection by Noteholders at the offices of Paul Hastings (Europe) LLP, Eighth Floor, 10 Bishops Square, London E1 6EG.

You are reminded that the Consent Solicitation Memorandum has been delivered to you on the basis that you are a person into whose possession the Consent Solicitation Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver the Consent Solicitation Memorandum to any other person except to purchasers/transferees to whom the Notes have been sold/transferred and provided that such delivery is lawful.

The communication of this Consent Solicitation Memorandum and any other documents or materials relating to the Consent Solicitation (as defined in this Consent Solicitation Memorandum) is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”). Accordingly, this Consent Solicitation Memorandum and such documents and/or materials are not being distributed and must not be communicated except in circumstances in which Section 21(1) of the FSMA does not apply in the United Kingdom.

***Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell any securities in any jurisdiction.***

THE FOLLOWING CONSENT SOLICITATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS CONSENT SOLICITATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTION MAY RESULT IN A VIOLATION OF APPLICABLE LAW OF OTHER JURISDICTIONS. THE DISTRIBUTION OF THE CONSENT SOLICITATION MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THE CONSENT SOLICITATION MEMORANDUM COMES ARE REQUIRED BY THE ISSUER, THE TRUSTEE, THE MASTER SERVICER, THE PRINCIPAL PAYING AGENT AND THE TABULATION AGENT TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the action you should take, you are recommended to seek your own financial and/or legal advice immediately from your broker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom) or from another appropriately authorised independent financial adviser.**

This Consent Solicitation Memorandum is addressed only to each holder of Notes (a “**Noteholder**”) who are persons to whom it may otherwise be lawful to distribute it (“**relevant persons**”). It is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

Each Noteholder is solely responsible for making its own independent appraisal of all matters (including those relating to the Consent Solicitation in this Consent Solicitation Memorandum) as such Noteholder deems appropriate in determining whether to vote in favour of the proposed Extraordinary Resolutions in respect of the Notes.

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should immediately forward this document to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The distribution of this Consent Solicitation Memorandum in certain jurisdictions may be restricted by law and persons into whose possession this Consent Solicitation Memorandum comes are requested to inform themselves about, and to observe, any such restrictions.

---

**Theatre (Hospitals) No.1 PLC**

*(A public company incorporated under the laws of England and Wales with Registered Number 06067193)*

(the “**Issuer**”)

**£231,000,000 Class A Commercial Mortgage-Backed Floating Rate Notes due October 2031**

(ISIN: XS0290917227) (the “**Class A Notes**”)

**£57,000,000 Class B Commercial Mortgage-Backed Floating Rate Notes due October 2031**

(ISIN: XS0275389756) (the “**Class B Notes**”)

**£54,000,000 Class C Commercial Mortgage-Backed Floating Rate Notes due October 2031**

(ISIN: XS0294355028) (the “**Class C Notes**”)

**£54,000,000 Class D Commercial Mortgage-Backed Floating Rate Notes due October 2031**

(ISIN: XS0294355374) (the “**Class D Notes**” and together with the Class A Notes, the Class B Notes and the Class C Notes, the “**Notes**”)

**CONSENT SOLICITATION MEMORANDUM**

**in relation to an amendment to the terms and conditions of the Notes in connection with a restructuring of the underlying Propco Facility Agreement (as defined herein) and other related matters**

---

The Issuer, at the request of the Master Servicer, is seeking consent by Extraordinary Resolutions from the Noteholders to agree to the amendments as set out further in this Consent Solicitation Memorandum (the “**Note Restructuring Proposals**”).

The Note Restructuring Proposals are being proposed by the Issuer at the request of the Master Servicer. None of the Issuer, the Trustee, the Principal Paying Agent, the Tabulation Agent nor any of their affiliates has been involved in the formulation of the Note Restructuring Proposals. None of the Issuer, the Trustee, the Master Servicer, the Principal Paying Agent, the Tabulation Agent nor any of their affiliates accepts any responsibility or liability for the sufficiency or adequacy of the Note Restructuring Proposals or the legality, validity or enforceability of the Note Restructuring Proposals. None of the Issuer, the Trustee, the Master Servicer, the Principal Paying Agent, the Tabulation Agent nor any of their affiliates makes any recommendation to Noteholders as to whether or not to agree to the Note Restructuring Proposals and to vote in favour of the Extraordinary Resolutions.

For the avoidance of doubt, when the Issuer acts on the instructions of the Master Servicer under this Consent Solicitation Memorandum, the Issuer shall be entitled to rely conclusively and without liability on such instruction.

Notices (each a “**Notice**”) convening a meeting (“**Meeting**”) of the holders of each of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes (together the “**Noteholders**”) to be held at the offices of Paul Hastings (Europe) LLP, Eighth Floor, 10 Bishops Square, London E1 6EG on 5 May 2015 at 11.00 a.m. (in the case of the Class A Noteholders), at 11.10 a.m. or, if later, immediately following the conclusion of the meeting of the holders of the Class A Notes (in the case of the Class B Noteholders), at 11.20 a.m. or, if later, immediately following the conclusion of the meeting of the holders of the Class B Notes (in the case of the Class C Noteholders) and at 11.30 a.m. or if later, immediately following the conclusion of the meeting of the holders of the Class C Notes (in the case of the Class D Noteholders) are set out in Annex A (*Form of Notices of Meeting*). Each Notice was published in accordance with the terms and conditions of the Notes (the “**Conditions**”) on the date of this Consent Solicitation Memorandum.

Each Notice sets out an Extraordinary Resolution which will be proposed at the respective Meeting (each an “**Extraordinary Resolution**”). The Extraordinary Resolutions, if passed, will approve the implementation of the proposal described below.

Subject to the terms and conditions specified in this Consent Solicitation Memorandum, including the Note Restructuring Conditions being satisfied, Noteholders who have voted in favour of the relevant Extraordinary Resolution by delivering or procuring the delivery of a Consent Instruction (which is not revoked) will be eligible to receive either the Early Consent Fee or the Late Consent Fee as follows:

- (i) if such Consent Instruction in favour of the relevant Extraordinary Resolution is received by the Tabulation Agent **by the Early Voting Deadline** (and such Consent Instruction is not subsequently revoked), the relevant Noteholder will be eligible to receive the Early Consent Fee of 0.40 per cent. of the aggregate principal amount of Notes which are the subject of such Consent Instruction; or
- (ii) if such Consent Instruction in favour of the relevant Extraordinary Resolution is received by the Tabulation Agent **after the Early Voting Deadline but prior to the Expiration Deadline** (and such Consent Instruction is not subsequently revoked), the relevant Noteholder will be eligible to receive the Late Consent Fee of 0.20 per cent. of the aggregate principal amount of Notes which are the subject of such Consent Instruction.

Any Early Consent Fee or Late Consent Fee (as applicable) will be payable in one instalment, on the Settlement Date, in each case only if the relevant Note Restructuring Conditions are satisfied as more fully described in “*The Consent Solicitation – Early Consent Fee and Late Consent Fee*”.

The Consent Solicitation is made for the securities of a non-U.S. company. The Consent Solicitation is subject to disclosure requirements of a non-U.S. country that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under the United States federal securities laws, since the Issuer and all of its officers and directors are residents of a foreign country. You may not be able to sue a non-U.S. company or its officers or directors, in a non-U.S. court for violations of the United States securities laws. It may be difficult to compel a non-U.S. company and its affiliates, or a foreign sovereign state, to subject themselves to a United States court’s judgment.

The Consent Solicitation Memorandum is being sent to U.S. holders pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and, accordingly, the Consent Solicitation Memorandum has not been and will not be registered with the U.S. Securities and Exchange Commission (the “**SEC**”). The Notes have not been and will not be registered under the Securities Act or the securities law of any state or jurisdiction of the United States.

Noteholders who do not wish to submit a Consent Instruction may alternatively make arrangements to attend or be represented at a Meeting by following the procedures set out in the relevant Notice. Such holders will not however be eligible to receive either the Early Consent Fee or the Late Consent Fee.

**THE EARLY VOTING DEADLINE IS 5:00 P.M. (LONDON TIME) ON 22 APRIL 2015 AND THE EXPIRATION DEADLINE IS 5:00 P.M. (LONDON TIME) ON 30 APRIL 2015, IN EACH CASE UNLESS EXTENDED OR AMENDED BY THE ISSUER AT THE REQUEST OF THE MASTER SERVICER WHO MAY GIVE SUCH REQUEST IN ITS SOLE DISCRETION.**

**Custodians, Direct Participants and Clearing Systems will have deadlines for receiving instructions prior to the Early Voting Deadline and Expiration Deadline and Noteholders should contact the intermediary through which they hold their Notes as soon as possible to ensure proper and timely delivery of instructions. In relation to the submission, delivery or revocation of a Consent Instruction, in each case, through the Clearing Systems (as defined below), Noteholders holding Notes in Euroclear Bank SA/NV. (“Euroclear”) or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) should note the particular practice and policy of the relevant Clearing System. Notes which are the subject of a Consent Instruction will be blocked by Euroclear or Clearstream, Luxembourg, as the case may be, in accordance with their procedures and this Consent Solicitation Memorandum.**

**Before making a decision with respect to the Consent Solicitation, Noteholders should carefully consider all of the information in this Consent Solicitation Memorandum and in particular the risk factors described in “*Risk Factors and Other Considerations*” on page 85.**

Capitalised terms not otherwise defined in this Consent Solicitation Memorandum shall have the meanings set out in the prospectus dated 3 May 2007 in relation to the Notes issued by the Issuer (the “**Prospectus**”).

**In accordance with normal practice, neither the Issuer nor the Trustee (or any of their respective advisers) has been involved in the formulation of the Restructuring or the Note Restructuring Proposals or has verified the information contained in any part of the Consent Solicitation Memorandum. Further, none of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) expresses any opinion as to the purpose or merits of the Restructuring or the Note Restructuring Proposals or as to the action Noteholders should take in relation to them and each person receiving this Consent Solicitation Memorandum acknowledges that such person has not relied upon any of the Issuer, the Trustee and the Master Servicer in connection with its decision on how to vote in relation to the relevant Extraordinary Resolution. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) makes any representation regarding the accuracy, sufficiency, relevance or otherwise of any information contained in the Consent Solicitation Memorandum or otherwise disclosed or to be disclosed to Noteholders in connection with the Restructuring or the Note Restructuring Proposals. The summary descriptions set out in the section “*Restructuring*” have been provided to the Issuer by the Master Servicer and represent, to the best knowledge of the Master Servicer, the material amendments to be made to the Finance Documents and other agreements to be entered into as part of the Restructuring and are being provided as background information to Noteholders to assist their determination of whether to approve the Note Restructuring Proposals. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) accepts any liability in relation to the Restructuring, the Note Restructuring Proposals or the matters set out in the Consent Solicitation Memorandum.**

**This Consent Solicitation Memorandum does not purport to be all-inclusive or to contain all the information that a Noteholder may desire in evaluating the Restructuring or the Note Restructuring Proposals. Each Noteholder must conduct and rely on its own evaluation of the terms of the Restructuring and the Note Restructuring Proposals, including the merits and the risks involved.**

If Noteholders have any questions regarding voting in relation to the Extraordinary Resolutions they should contact the Tabulation Agent the contact details for whom are:

Lucid Issuer Services Limited  
Leroy House  
436 Essex Road  
London N1 3QP

Contact: Victor Parzyjagla/Thomas Choquet  
Phone: +44 20 7704 0880  
Email: [theatre@lucid-is.com](mailto:theatre@lucid-is.com)

If Noteholders have any questions regarding the commercial aspects of the Restructuring, the Note Restructuring Proposals or the Extraordinary Resolutions, they should contact:

(a) the Master Servicer, the contact details for whom are:

Capita Asset Services (UK) Limited  
40 Dukes Place  
London EC3A 7NH

Contact: Serenity Morley  
Phone: +44 207 393 6227  
Email: [serenity.morley@capitaassetservices.co.uk](mailto:serenity.morley@capitaassetservices.co.uk); or

(b) the financial adviser to the Master Servicer, the contact details for whom are:

Lazard  
50 Stratton Street  
London, W1J 8LL

Contact: Kai Hoffman  
Phone: +44 20 7187 2073  
Email: [kai.hoffman@lazard.com](mailto:kai.hoffman@lazard.com)

The date of this Consent Solicitation Memorandum is 10 April 2015.

## INDEX

	<b>PAGE</b>
Definitions .....	6
Indicative Solicitation Timetable.....	9
Restructuring .....	12
Note Restructuring Proposals .....	69
The Consent Solicitation .....	76
Tax Consequences.....	84
Risk Factors and other Considerations .....	85
Note Restructuring Conditions .....	89
Additional Information.....	90
ANNEX A - Form of Notices of Meeting .....	91

## DEFINITIONS

<b>GBP or £</b>	Pounds sterling.
<b>Clear Days</b>	For a calculation a period of “ <b>Clear Days</b> ” in relation to a Meeting, no account shall be taken of the day on which the Notice of such Meeting is given or the day on which such Meeting is held.
<b>Clearing Systems</b>	Clearstream, Luxembourg and Euroclear.
<b>Clearstream, Luxembourg</b>	Clearstream Banking, <i>société anonyme</i> .
<b>Conditions</b>	The terms and conditions of each Class of Notes as applicable.
<b>Consent Instruction</b>	The electronic voting instruction (either in favour of or not in favour of the Extraordinary Resolution) which must be delivered by each Noteholder through the relevant Clearing System to the Tabulation Agent, instructing the Principal Paying Agent to appoint the Tabulation Agent (or its representative) as its proxy to attend the relevant Meeting on its behalf and stating that the vote(s) attributable to the Notes that are the subject of such electronic voting instruction should be cast in a particular way in relation to the relevant Extraordinary Resolution.
<b>Consent Solicitation</b>	The solicitation by the Issuer (at the request of the Master Servicer) of the Noteholders of each Class to consider and, if thought fit, approve the Note Restructuring Proposals by separate Extraordinary Resolutions pursuant to the Conditions and the Trust Deed.
<b>Direct Participants</b>	Each person who is shown in the records of a Clearing System as a holder of the Notes at the time of submission of the relevant Consent Instruction.
<b>Early Consent Fee</b>	In relation to each Class, the fee to be paid (subject to the Note Restructuring Conditions) by the Issuer to Noteholders who either deliver, or procure delivery on their behalf, of a valid Consent Instruction, in the manner described in “ <i>The Consent Solicitation – Procedure for Voting</i> ” in favour of the relevant Extraordinary Resolution which is received by the Tabulation Agent by the Early Voting Deadline (and not revoked), of 0.40 per cent. of the aggregate principal amount of Notes which are the subject of such Consent Instruction.
<b>Early Voting Deadline</b>	5:00 p.m. on 22 April 2015, being the deadline for receipt by the Tabulation Agent of a valid Consent Instruction, in the manner described in “ <i>The Consent Solicitation – Procedure for Voting</i> ” in favour of the relevant Extraordinary Resolution in order for a Noteholder to be eligible for the Early Consent Fee.
<b>Effective Date</b>	The date specified in a written notice provided by the Master Servicer to the Trustee, the Issuer, the Cash Manager, the Special Servicer, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent and the Liquidity Facility Provider which such notice

the Master Servicer may not deliver until (i) the amendment of the Finance Documents to reflect the Restructuring as described in this Consent Solicitation Memorandum; and (ii) the application of the New Money Loans pursuant to the Restated Intercreditor Agreement. See “*Restructuring – Restated Intercreditor Agreement – Application of Proceeds – Restructuring Effective Date Payments*” below.

**Euroclear**

Euroclear Bank S.A./N.V.

**Expiration Deadline**

5 p.m. on 30 April 2015 (or such other date as notified to the Noteholders by the Issuer, at the request of the Master Servicer, with respect to any adjourned meeting) being the deadline for the receipt of a Consent Instruction by the Tabulation Agent via the Clearing Systems.

**Extraordinary Resolutions**

The extraordinary resolutions relating to the Note Restructuring Proposals to be proposed at the Meetings of the holders of each Class of Notes, as set out in the Notices, and “**Extraordinary Resolution**” means any one of them as the context may require.

**Global Deed of Amendment and Restatement**

The global deed of amendment and restatement referred to in each Extraordinary Resolution, which will be executed in order to implement the Note Restructuring Proposals in respect of the Notes provided the Note Restructuring Proposals shall only become effective upon the Note Restructuring Conditions being fulfilled in full.

**Late Consent Fee**

In relation to each Class, the fee to be paid (subject to the Note Restructuring Conditions) by the Issuer to Noteholders who either deliver, or procure delivery on their behalf, of a valid Consent Instruction in the manner described in “*The Consent Solicitation – Procedure for Voting*” in favour of the relevant Extraordinary Resolution which is received by the Tabulation Agent after the Early Voting Deadline but prior to the Expiration Deadline (and not revoked), of 0.20 per cent. of the aggregate principal amount of Notes which are the subject of such Consent Instruction.

**Master Servicer**

Capita Asset Services (London) Limited.

**Meetings**

In respect of each Class of Notes, the meeting of holders of that Class of Notes convened by the relevant Notice, to be held at the time specified in the relevant Notice on 5 May 2015, to consider and, if thought fit, pass the Extraordinary Resolutions in respect of the Note Restructuring Proposals, and “**Meeting**” means any one of them as the context may require.

“**Meeting**” includes, unless the context otherwise requires, any meeting held following any adjournment of such Meeting.

The Meetings will be held at the offices of Paul Hastings (Europe) LLP, Eighth Floor, 10 Bishops Square, London E1 6EG.

**Note Restructuring Conditions**

The conditions to payment of the Early Consent Fee and/or the payment of the Late Consent Fee as set out under “*Note*

*Restructuring Conditions*” below.

**Note Restructuring Proposals**

In respect of each Class of Notes, the modifications to the Conditions, the Trust Deed, the Cash Management Agreement, the Liquidity Facility Agreement and the Agency Agreement to be effected by the Global Deed of Amendment and Restatement as more fully described in “*Restructuring – Note Restructuring Proposals*” below.

**Noteholder or holder of Notes**

A holder of Notes including:

- (a) each person who is shown in the records of a Clearing System as a holder of the Notes (also referred to as “**Direct Participants**” and each a “**Direct Participant**”); and
- (b) each beneficial owner (a “**Beneficial Owner**”) of Notes holding such Notes, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner’s behalf,

except that for the purposes of the payment of any Early Consent Fee or Late Consent Fee (as applicable), to the extent that the beneficial owner of the relevant Notes is not a Direct Participant, such Early Consent Fee or Late Consent Fee (as applicable) will only be paid to the relevant Direct Participant and the payment of the Early Consent Fee or Late Consent Fee (as applicable) to such Direct Participant will satisfy the obligations of the Issuer in respect of the payment of the Early Consent Fee or Late Consent Fee (as applicable).

**Notice**

The notice of Meeting sent to the holders of each Class of Notes, setting out the relevant Extraordinary Resolution that is to be voted on at such Meeting, the form of which is set out in Annex A (*Form of Notices of Meeting*).

**Notifying News Service**

A recognised financial news service or services (e.g. Reuters/Bloomberg) as selected by the Master Servicer.

**Principal Paying Agent**

Citibank, N.A., London Branch.

**Prospectus**

The prospectus issued by the Issuer on 3 May 2007 in connection with the Notes.

**Restructuring**

The amendments to the Propco Facility Agreement and related documentation as more fully described in “*Restructuring – The Restructuring*”.

**Settlement Date**

2 Note Business Days following the Effective Date.

**Tabulation Agent**

Lucid Issuer Services Limited.

**Trustee**

Citicorp Trustee Company Limited.

All references in this Consent Solicitation Memorandum to times are to London time (unless otherwise stated).

## INDICATIVE SOLICITATION TIMETABLE

*This timetable assumes that (i) the Meetings are quorate on the dates on which they are first convened; and (ii) new meetings are not convened in respect of the Notes. This timetable is subject to change and dates and times may be extended or changed by the Issuer at the request of the Master Servicer in accordance with the terms of the Consent Solicitation as described in this Consent Solicitation Memorandum. Accordingly, the actual timetable may differ significantly from the timetable below and in particular no assurance can be given as to the timing of the confirmation of the Note Restructuring Conditions and the Settlement Date. All times are London time.*

<b>Event</b>	<b>Date and Time</b>
<b><i>Announcement of Consent Solicitation and Note Restructuring Proposals</i></b>	
Notices published as described in “ <i>The Consent Solicitation – Announcements</i> ”.	10 April 2015.
The Consent Solicitation Memorandum published on the website of the Irish Stock Exchange ( <a href="http://www.ise.ie">www.ise.ie</a> ) and available on request from the Tabulation Agent.	10 April 2015.
Documents referred to under “ <i>Additional Information – Documents available for inspection by Noteholders</i> ” below to be available to Noteholders (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted).	From 10 April 2015.
<b><i>Early Voting Deadline</i></b>	
Deadline for receipt by the Tabulation Agent of a Consent Instruction in favour of the relevant Extraordinary Resolution in order for a Noteholder to be eligible for the Early Consent Fee.	5:00 p.m. on 22 April 2015.
<b><i>Expiration Deadline</i></b>	
Deadline for receipt by the Tabulation Agent of a Consent Instruction via the Clearing Systems.	5:00 p.m. on 30 April 2015.
In order to be eligible to receive the Late Consent Fee, the Tabulation Agent must have received a Noteholder’s Consent Instruction in favour of the relevant Extraordinary Resolution after the Early Voting Deadline but prior to the Expiration Deadline.	
<b><i>Meetings</i></b>	
Meetings of Noteholders of each Class, held at the offices of Paul Hastings (Europe) LLP, Eighth Floor, 10 Bishops Square, London E1 6EG.	11.00 a.m. on 5 May 2015 in respect of the Class A Notes.
	11.10 a.m., or, if later, immediately following the conclusion of the meeting of the holders of the Class A Notes, on 5 May 2015 in respect of the Class B Notes.
	11.20 a.m., or, if later, immediately following the conclusion of the meeting

of the holders of the Class B Notes, on 5 May 2015 in respect of the Class C Notes.

11.30 a.m., or, if later, immediately following the conclusion of the meeting of the holders of the Class C Notes, on 5 May 2015 in respect of the Class D Notes.

***Announcement of Results of Meetings***

Announcement of the results of the Meetings to be first given to Noteholders via the Clearing Systems and published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)). The announcement of the results of the Meetings may also subsequently be given, at the option of the Master Servicer, via a Notifying News Service.

As soon as reasonably practicable following the Meetings.

***Execution of Global Deed of Amendment and Restatement***

The Global Deed of Amendment and Restatement to be executed by the parties thereto.

As soon as reasonably practicable following the Meetings.

***Confirmation of Note Restructuring Conditions and occurrence of Effective Date***

Confirmation that the Note Restructuring Conditions have been satisfied or waived and the occurrence of the Effective Date to be first given to Noteholders via the Clearing Systems and published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)). Confirmation that the Note Restructuring Conditions have been satisfied or waived and the occurrence of the Effective Date may also subsequently be given, at the option of the Master Servicer, via a Notifying News Service.

Anticipated to be on or around 13 May 2015, however please see “*Note Restructuring Conditions*” and “*Risk Factors and Other Considerations*”.

***Settlement Date***

Payment of the relevant Early Consent Fee or Late Consent Fee due to Noteholders.

Two Note Business Days following the Effective Date.

Anticipated to be on or around 15 May 2015, however please see “*Note Restructuring Conditions*” and “*Risk Factors and Other Considerations*”.

The above times and dates are subject, where applicable, to the right of the Issuer, at the request of the Master Servicer, to extend, re-open, amend and/or terminate the Consent Solicitation and the calling of any adjourned Meetings by the Issuer at the request of the Master Servicer. The deadlines set by any custodian or intermediary and each Clearing System for the submission and withdrawal of Consent Instructions may be earlier than the relevant deadlines above. See “*The Consent Solicitation - Procedure for Voting*”.

If any Meeting is not quorate on the date stated above, such Meeting shall stand adjourned for such period being not less than 13 Clear Days and not more than 42 Clear Days, and at such place as may be appointed by the chairman of the Meeting (the “**Chairman**”) (and approved by the Trustee) and notice of any adjourned Meeting shall be given in the same manner as notice of the original Meeting, save that 10 Clear Days’ notice (containing the information required for the notice in the original Meeting) shall be given. If one or more adjourned Meetings are required, these are expected to be held on 19 May 2015 at

Paul Hastings (Europe) LLP, Eighth Floor, 10 Bishops Square, London E1 6EG.

Unless stated otherwise, announcements in connection with the Consent Solicitation will be first made through the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also subsequently be made, at the option of the Master Servicer, by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained from the Tabulation Agent, the contact details for which are on page 4 of this Consent Solicitation Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tabulation Agent for the relevant announcements relating to the Consent Solicitation. In addition, holders of Notes may contact the Master Servicer or Lazard as the financial adviser to the Master Servicer for information using the contact details on page 4 of this Consent Solicitation Memorandum. Notices will be published using the methods set out in “*The Consent Solicitation – Announcements*” below.

***Noteholders are advised to check with any bank, securities broker, custodian or other intermediary through which they hold Notes when such intermediary would require to receive instructions to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Consent Solicitation in order to meet the deadlines set out above.***

## RESTRUCTURING

*Any defined term which is used but not defined in this section has the meaning given to it in the Prospectus. In the event that a term is defined in the Prospectus and in this section, the definition in this section shall prevail.*

*The summary descriptions set out in this section “Restructuring” describe certain of the material amendments to be made to the Finance Documents and other agreements to be entered into as part of the Restructuring and is being provided as background information to Noteholders to assist their determination of whether to approve the Note Restructuring Proposals.*

*The summary descriptions set out in this section “Restructuring” are qualified in their entirety by the detailed terms of those documents implementing the Restructuring. Noteholders are strongly advised to consult the documents which are available for inspection as set out in “Additional Information - Documents available for inspection by Noteholders”.*

*Each Noteholder is responsible for assessing the merits of the Consent Solicitation, the Restructuring and the Note Restructuring Proposals. None of the Issuer, the Trustee, the Master Servicer or the Tabulation Agent has made or will make any assessment of the merits of the Consent Solicitation, the Restructuring or the Note Restructuring Proposals or of the impact of the Consent Solicitation, the Restructuring or the Note Restructuring Proposals on the interests of Noteholders either as a class or as individuals. Noteholders should therefore consult their own tax, accounting, financial and legal advisers regarding the suitability to them of the tax or accounting consequences of participating or declining to participate in the Consent Solicitation, the Restructuring and the Note Restructuring Proposals.*

### **Background**

#### *Introduction*

As more fully described in the Prospectus, pursuant to the terms of a facility agreement (the “**Propco Facility Agreement**”) dated 6 October 2006 between, amongst others, the Sellers, the other Original Lenders, the Borrowers and the Holdcos, the Original Lenders made a sterling term loan facility available to the Borrowers in the total aggregate amount of £1,650,000,000 (the “**Propco Loans**”). The Propco Loans were fully drawn and the Original Lenders are under no obligation to make any further advances under the Propco Facility Agreement. At the date of the Prospectus, the principal amount outstanding under the Propco Loans was £1,646,200,000. As at the date of the Loan Interest Payment Date in January 2015, the principal amount outstanding of the Propco Loans was £1,525,536,150.26.

#### *Tranching of the Propco Loans*

Again as more fully described in the Prospectus, pursuant to an intercreditor agreement (the “**Intercreditor Agreement**”) dated 15 December 2006, the Original Lenders, in their capacities as Senior Lenders, Junior A Lenders and Junior B Lenders, divided their participations in the Propco Loans into the “**Whole Senior Loan**”, the “**Junior A Loan**” and the “**Junior B Loan**”, respectively (the Junior A Loan and the Junior B Loan together being the “**Junior Loans**”). Pursuant to a further intercreditor agreement (the “**Minority Senior Lender Intercreditor Agreement**”) dated 15 December 2006, the Senior Lenders divided their participations in the Whole Senior Loans into a minority portion (the “**Minority Senior Loans**”) and a majority portion (the “**Senior Loan Majority Portion**”). On 11 May 2007, £396,000,000 of the Senior Loan Majority Portion was transferred to the Issuer (the “**Theatre (Hospitals) No. 1 Portion**”) and £264,000,000 of the Senior Loan Majority Portion was transferred to Theatre (Hospitals) No. 2 (the “**Theatre (Hospitals) No. 2 Portion**”), and, together with the Theatre 1 Loans and the Minority Senior Loans, the “**Senior Loans**”).

As at the date of the Loan Interest Payment Date in January 2015, the principal amount outstanding of:

- (a) the Theatre (Hospitals) No. 1 Portion was £355,241,144.60;
- (b) the Theatre (Hospitals) No. 2 Portion was £236,827,429.75;
- (c) the Minority Senior Loans was £268,605,602.22;
- (d) the Junior A Loans was £493,879,902.88; and
- (e) the Junior B Loans was £170,982,070.81.

### *Non Payment on the Loan Final Maturity Date and Extensions*

The Propco Loans were originally scheduled to mature on 15 October 2013 (the “**Original Loan Final Maturity Date**”). However, amongst other factors, due to the lack of refinancing options, unlikelihood of a significant equity injection and the inability to dispose of a sufficiently high value of Properties within the time period prior to maturity, the prospects of the Borrowers being able to repay the Propco Loans at the Original Loan Final Maturity Date was deemed to be very low from an early stage prior to the Original Loan Final Maturity Date. Upon such non-payment pursuant to the terms of the Propco Facility Agreement a Loan Event of Default would therefore occur on the Original Loan Final Maturity Date. As discussed in more detail in “*Risk Factors – Special Servicing Event*”, pursuant to the terms of the Servicing Agreement, upon such a Loan Event of Default a Special Servicing Event would occur and the Special Servicer would be obliged to instruct the Borrower Security Trustee to take Loan Enforcement Action pursuant to the terms of the Finance Documents and the Intercreditor Agreements.

As notified by the Issuer, at the request of the Master Servicer, in an announcement to Noteholders published on the website of the Irish Stock Exchange on 24 May 2012, in anticipation of the Original Loan Final Maturity Date and the potential for a Loan Event of Default on such date, the Master Servicer announced that it had sought to engage with the Borrowers regarding their plans for repayment of the Propco Loan. In the absence of a satisfactory response, since such announcement the Master Servicer, a co-ordinating committee of Junior Lenders (the “**Junior Co-Comm**”), a senior coordinating committee of lenders, consisting of certain Noteholders, certain holders of Theatre (Hospitals) No. 2 Notes and the Minority Senior Lenders (the “**Senior Co-Comm**”), the Borrowers and certain other stakeholders in the Borrowers have been in discussions (the “**Restructuring Discussions**”) to attempt to achieve a consensual restructuring of the Propco Loans.

In order to facilitate the Restructuring Discussions the maturity date of the Propco Loans (the “**Loan Final Maturity Date**”) has been extended by all Lenders (as defined in the Prospectus) on a number of occasions to avoid a Loan Event of Default. As notified by the Issuer, at the request of the Master Servicer, in an announcement to Noteholders published on the website of the Irish Stock Exchange on 13 January 2015, the current Loan Final Maturity Date is 15 April 2015. Each such extension to the Loan Final Maturity Date has been approved by the Most Senior Class of Notes and the most senior class of Theatre (Hospitals) No. 2 Notes as required by the provisions of the Servicing Agreement. Further details relating to each extension of the Loan Final Maturity Date can be found in the announcements to Noteholders by the Issuer published on the website of the Irish Stock Exchange. The Restructuring will not be completed by 15 April 2015 and therefore the Master Servicer anticipates that following the date of this Consent Solicitation Memorandum, but prior to 15 April 2015, the Loan Final Maturity Date will be extended to a date to be agreed to enable the Restructuring to be completed prior to any payment default on the Loan Final Maturity Date.

### *Global Restructuring Agreement*

As a result of the Restructuring Discussions, and as further detailed in the announcement to Noteholders by the Issuer dated 16 December 2014 published on the website of the Irish Stock Exchange, a global restructuring agreement (the “**Global Restructuring Agreement**”) was entered into by those parties directly involved in negotiating a long term restructuring of the Propco Loans (the “**Restructuring**”). The Global Restructuring Agreement sets out the principal commercial terms of the proposed Restructuring and the Note Restructuring Proposals and, subject to satisfaction of the relevant conditions precedent to the Global Restructuring Agreement and other terms, obligates those parties (and any parties to which they may transfer their relevant interests for so long as the Global Restructuring Agreement remains in force) to vote in favour of/agree to the Restructuring or the Note Restructuring Proposals (as applicable).

The Global Restructuring Agreement includes certain termination events (including a long stop date (the “**Long Stop Date**”) of 15 April 2015 which may be extended to 30 April 2015 upon the agreement of a limited number of parties to the Global Restructuring Agreement) that if triggered would cause the Global Restructuring Agreement to cease to be effective (see “*Risk Factors and Other Considerations – Global Restructuring Agreement*”). As notified by the Issuer in an announcement to Noteholders published on the website of the Irish Stock Exchange on 31 March 2015 the Long Stop Date has been extended to 30 April 2015 pursuant to an amendment agreement dated 27 March 2015 (the “**Global Restructuring Agreement Amendment Agreement**”).

The parties which have executed the Global Restructuring Agreement have at the date of this Consent Solicitation Memorandum significantly completed the process of converting the principal commercial terms of the proposed Restructuring as set out in the Global Restructuring Agreement into the detailed full form legal documents. The summary descriptions set out in this section “*Restructuring*” describe

certain of the material amendments to be made to the existing Finance Documents, other agreements to be entered into as part of the Restructuring and the process by which the Restructuring is to be implemented. This information is being provided as background information to Noteholders to assist their determination of whether to approve the Note Restructuring Proposals. The Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Proposals) and the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information) are available to Noteholders (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted). See “*Additional Information – Documents available for inspection by Noteholders*”.

## **The Restructuring**

### *Summary*

The Restructuring will include, without limitation, the following principal economic elements all as described in greater detail below:

- (a) an amendment and restatement of the Propco Facility Agreement on the Restructuring Effective Date (as defined below) (the Propco Facility Agreement as amended and restated the “**Restated Propco Facility Agreement**”) to provide for:
  - (i) new loans (the “**New Money Loans**” and, together with the Propco Loans, the “**Loans**”) advanced by a syndicate led by certain Junior Lenders (the “**New Money Lenders**”) to partially prepay the Senior Loans (see “- *Restated Propco Facility Agreement – The New Money Loan*” below);
  - (ii) the creation of new claims (the “**Deficiency Claims**”) against the Borrowers following an auction of Commerzbank AG, London Branch’s (the “**Original Deficiency Claim Holder**” and the holders of the such Deficiency Claims following the Restructuring Effective Date, the “**Deficiency Claim Holders**”) Junior Loans (with or without the corresponding commitments in the New Money Loans) prior to the Restructuring Effective Date (see “- *Restated Propco Facility Agreement – Deficiency Claims*” below);
  - (iii) a tranching of the Senior Loans to reflect each Class of Notes and each class of the Theatre (Hospitals) No. 2 Notes with a corresponding tranching of the Minority Senior Loans (see “- *Restated Propco Facility Agreement – Tranching of the Propco Loans*” below);
  - (iv) an amendment to the rates of interest applicable to the Senior Loans and the Junior A Loans including the introduction of payment in kind interest on the Junior A Loans and a removal of interest accruing on the Junior B Loans (see “- *Restated Propco Facility Agreement - Interest*” below);
  - (v) an increase to the rate of default interest applicable to the Senior Loans with the accrual of such default interest linked to the occurrence of certain Loan Events of Default and the rate of such default interest linked, in part, to a ratio based on (x) those amounts ranking *pari passu* and senior to the Seniors Loans; and (y) the value of the Properties (see “- *Restated Propco Facility Agreement – Default Interest*” below);
  - (vi) an amendment to the rate of default interest applicable to the Junior A Loan and a removal of default interest accruing on the Junior B Loans (see “- *Restated Propco Facility Agreement – Default Interest*” below);
  - (vii) the introduction of a make-whole payable on certain prepayments of the Senior Loans (see “- *Restated Propco Facility Agreement – Prepayment – Make-Whole*” below);
  - (viii) a revision to the principal amortisation of the Loans (see “- *Restated Propco Facility Agreement - Amortisation*” below);
  - (ix) provisions to enable the Borrowers to agree amendments to the Principal Leases with BMI Healthcare (“**Opco**”) without the need for obtaining further consents provided such amendments are within certain defined parameters (see “- *Restated Propco*

*Facility Agreement – Undertakings – Property Undertakings – Permitted Rent Reduction Transaction*” below); and

- (x) a revision of the financial covenants under the Propco Facility Agreement (see “- *Restated Propco Facility Agreement – Undertakings – Financial Covenants*” below);
- (b) the termination of the interest rate swap transactions under the Existing Hedge Documents and the entry into new interest rate swap transactions with the New Hedge Counterparties to be documented under the Existing Hedge Documents of the New Hedge Counterparties as amended and restated on the Restructuring Effective Date (such amended and restated documents the “**New Hedge Documents**”) to provide for:
  - (i) a new notional profile for the hedging transactions (see “- *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans – Restructuring of Existing Hedge Documents*” below);
  - (ii) a revision of the fixed rate payment being made to each New Hedge Counterparty (see “- *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans – Restructuring of Existing Hedge Documents*” below);
  - (iii) a revised set of termination events (see “- *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans – New Hedge Documents – Termination Events*” below); and
  - (iv) a collateral support annex to be entered into on the Restructuring Effective Date between each Borrower and each New Hedge Counterparty (see “- *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans – New Hedge Documents – Collateral Support Annex*” below);
- (c) a new financing (the “**Swap Term Loans**”) to be advanced by a lender or lenders (the “**Swap Term Loan Lenders**”) under a new facility agreement (the “**Swap Term Loan Facility Agreement**”) on the Restructuring Effective Date to pay, amongst other items, the termination amounts due under certain of the Existing Hedge Transactions as a result of their termination on the Restructuring Effective Date (see “- *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans – Swap Term Loan Facility Agreement*” below);
- (d) an amendment and restatement of the Intercreditor Agreement on the Restructuring Effective Date (the Intercreditor Agreement as amended and restated the “**Restated Intercreditor Agreement**”) to provide for:
  - (i) the ranking of the hedging arrangements under the New Hedge Documents, the Swap Term Loans, the Senior Loans, the New Money Loans, the Deficiency Claims, the Junior A Loans and the Junior B Loans (see “- *Restated Intercreditor Agreement – Ranking*” below);
  - (ii) the categorisation of each Loan Event of Default and the rights given to each group of creditors of the Borrowers following such Loan Event of Default (see “- *Restated Intercreditor Agreement – Enforcement Action – Categorisation of Loan Event of Default*” below); and
  - (iii) revisions to the pre-enforcement and post-enforcement revenue and principal waterfalls (see “- *Restated Intercreditor Agreement – Rental Income Waterfall*”, “- *Restated Intercreditor Agreement – Post-Default Conditions Waterfall*” and “- *Restated Intercreditor Agreement – Prepayments*” below); and
- (e) the granting of a call option to Hospital Midco to enable the transfer of the shares and assets of the Borrowers to a new holding structure ultimately owned by certain of the Junior B Lenders following the Restructuring Effective Date (see “- *Equity Transfer*” below).

*Restated Propco Facility Agreement*

Propco Facility Agreement Amendment and Restatement Agreement

The Propco Facility Agreement will be amended and restated by an amendment and restatement agreement (the “**Propco Facility Agreement Amendment and Restatement Agreement**”). The Propco Facility Agreement Amendment and Restatement Agreement will provide that the Propco Facility

Agreement will be amended and restated upon the satisfaction of, without limitation, the following conditions precedent (the “**Propco Facility Agreement Conditions Precedent**”):

- (a) the completion of all steps of the restructuring of the Existing Hedge Documents in the manner set out in the Global Restructuring Agreement (see “- *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans*” below);
- (b) the delivery of new certificates of title with respect to the Properties;
- (c) the delivery of a valuation of the Properties dated no older than 1 month prior to the Effective Restructuring Date (the “**Effective Date Valuation**”) (see “- *Valuation*” below);
- (d) a tax report from PricewaterhouseCooper LLP related to the Restructuring;
- (e) a budget for Hospital Topco and the Obligor for the period from the Restructuring Effective Date to 15 April 2016;
- (f) a disclosure letter relating to the representations to be given by the Obligor under the Restated Propco Facility Agreement;
- (g) a financial transaction model forecasting cashflows in relation to the Restructuring; and
- (h) other conditions precedent typical to restructuring of financial indebtedness including, but not limited, to:
  - (i) relevant corporate authorisations of the Borrowers, the Obligor’s Agent, the Holdcos, Hospital Midco and Hospital Topco;
  - (ii) evidence of the maintenance of appropriate insurance policies;
  - (iii) evidence of the establishment of new bank accounts to be opened in relation to the Restructuring; and
  - (iv) delivery of applicable legal opinions.

Upon the satisfaction or waiver (as applicable) of the Propco Facility Agreement Conditions Precedent and such other conditions precedent as set out in the Global Restructuring Agreement, the Restated Propco Facility Agreement will become effective in accordance with the Clause 19 (*Implementation of Restructuring*) of the Global Restructuring Agreement as amended by the Global Restructuring Agreement Amendment and Restatement Agreement (the time the Restated Propco Facility Agreement becomes effective being the “**Restructuring Effective Date**”). The Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Proposals) and the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information) are available to Noteholders on the basis set out in “*Additional Information – Documents available for inspection by Noteholders*” below.

#### Tranching of the Propco Loans

From the Restructuring Effective Date, the Senior Loans will be tranching into the Theatre 1A Loans, the Theatre 1B Loans, the Theatre 1C Loans, the Theatre 1D Loans, the Theatre 2A Loans, the Theatre 2B Loans, the Theatre 2C Loans, the Theatre 2D Loans, the MSL 1A Loans, the MSL 1B Loans, the MSL 1C Loans, the MSL 1D Loans, the MSL 2A Loans, the MSL 2B Loans, the MSL 2C Loans and the MSL 2D Loans by the Restated Intercreditor Agreement in the manner as described in “- *Restated Intercreditor Agreement – Tranching of the Propco Loans*” below.

Accordingly: (i) the Issuer shall be the lender of the Theatre 1A Loans (in such capacity the “**Theatre 1A Lender**”), the Theatre 1B Loans (in such capacity, the “**Theatre 1B Lender**”), the Theatre 1C Loans (in such capacity, the “**Theatre 1C Lender**”) and the Theatre 1D Loans (in such capacity, the “**Theatre 1D Lender**”); (ii) Theatre (Hospitals) No. 2 shall be the lender of the Theatre 2A Loans (in such capacity, the “**Theatre 2A Lender**”), the Theatre 2B Loans (in such capacity, the “**Theatre 2B Lender**”), the Theatre 2C Loans (in such capacity, the “**Theatre 2C Lender**”) and the Theatre 2D Loans (in such capacity, the “**Theatre 2D Lender**”); and (iii) the Minority Senior Lenders shall on a *pro rata* basis be the lenders of the MSL 1A Loans (in such capacity, the “**MSL 1A Lenders**”), the MSL 1B Loans (in such capacity, the “**MSL 1B Lenders**”), the MSL 1C Loans (in such capacity, the “**MSL 1C Lenders**”), the MSL 1D Loans (in such capacity, the “**MSL 1D Lenders**”), the MSL 2A Loans (in such capacity, the “**MSL 2A Lenders**”), the MSL 2B Loans (in such capacity, the “**MSL 2B Lenders**”), the MSL 2C Loans (in such capacity, the “**MSL 2C Lenders**”) and the MSL 2D Loans (in such capacity, the “**MSL 2D Lenders**”). Together such lenders shall be the “**Senior Lenders**”.

The Junior A Loans and the Junior B Loans will not be tranching further and shall remain as loans owing to the Junior A Lenders and the Junior B Lenders, respectively.

The New Money Loans

As part of the Restructuring, the New Money Lenders will advance to the Borrowers a new sterling term loan facility (the “**New Money Facility**”). The New Money Loans advanced under the New Money Facility will provide £175,000,000 of cash proceeds (the “**New Money Loans**” and, together with the Propco Loans, the “**Loans**”) to be applied solely in prepayment of the Senior Loans (see “- *Restated Intercreditor Agreement – Application of Proceeds – Restructuring Effective Date Payments*” below).

The New Money Loans will be issued at a 10 per cent. discount (the “**New Money Loan OID**”) to par such that, whilst cash proceeds of £175,000,000 will be advanced, the principal amount of the New Money Loans on the Restructuring Effective Date will be £194,400,000. The New Money Loans must be utilised in full on the Restructuring Effective Date.

Pursuant to the Restated Intercreditor Agreement, the New Money Loans will rank subordinate to the Senior Loans, *pari passu* with the Deficiency Claims and senior to the Junior Loans. (see “- *Restated Intercreditor Agreement – Ranking*” below).

Deficiency Claims

In consideration for the Original Deficiency Claim Holder agreeing to make available the Swap Term Loans (see “- *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans – Restructuring of Existing Hedge Documents*” below), prior to the Restructuring Effective Date, the Original Deficiency Claim Holder’s participations in the Junior Loans (with or without the corresponding commitments in the New Money Loans) will be sold by auction, open only to Junior Lenders, in accordance with an agreed protocol. The Deficiency Claims owed by the Borrowers to the Original Deficiency Claim Holder will be created on the Restructuring Effective Date on the basis of such auction. The maximum amount of the Deficiency Claims that may be created pursuant to such auction will be approximately £15,000,000.

Guarantee

Each Borrower’s performance of its obligations under the Restated Propco Facility Agreement is guaranteed by each other Borrower, Hospital Midco, the Borrower Account Holder, the Obligors’ Agent and, prior to the Call Option Completion, each Holdco (each a “**Guarantor**”).

Interest

The rate of interest payable by the Borrowers for each Loan Interest Period on each Senior Loan Tranche will be the percentage rate per annum as set out below:

Senior Loan Tranches:

<b>Loan</b>	<b>Interest rate payable for each Loan Interest Period</b>
Theatre 1A Loans	“ <b>Theatre 1A Rate</b> ” - being the sum of: i. 3.00 per cent.; and ii. Theatre 1 LIBOR
Theatre 1B Loans	“ <b>Theatre 1B Rate</b> ” - being the sum of: i. 3.75 per cent.; and ii. Theatre 1 LIBOR
Theatre 1C Loans	“ <b>Theatre 1C Rate</b> ” - being the sum of: i. 4.75 per cent.; and ii. Theatre 1 LIBOR
Theatre 1D Loans	“ <b>Theatre 1D Rate</b> ” - being the sum of: i. 5.75 per cent.; and ii. Theatre 1 LIBOR
Theatre 2A Loans	“ <b>Theatre 2A Rate</b> ” - being the sum of: i. 3.00 per cent.; and ii. Theatre 2 LIBOR
Theatre 2B Loans	“ <b>Theatre 2B Rate</b> ” - being the sum of: i. 3.75 per cent.; and ii. Theatre 2 LIBOR
Theatre 2C Loans	“ <b>Theatre 2C Rate</b> ” - being the sum of:

	i. 4.75 per cent.; and ii. Theatre 2 LIBOR
Theatre 2D Loans	“ <b>Theatre 2D Rate</b> ” - being the sum of: i. 5.75 per cent.; and ii. Theatre 2 LIBOR
MSL 1A Loans	“ <b>MSL 1A Rate</b> ” - being the sum of: i. 3.00 per cent.; and ii. Theatre 1 LIBOR
MSL 1B Loans	“ <b>MSL 1B Rate</b> ” - being the sum of: i. 3.75 per cent.; and ii. Theatre 1 LIBOR
MSL 1C Loans	“ <b>MSL 1C Rate</b> ” - being the sum of: i. 4.75 per cent.; and ii. Theatre 1 LIBOR
MSL 1D Loans	“ <b>MSL 1D Rate</b> ” - being the sum of: i. 5.75 per cent.; and ii. Theatre 1 LIBOR
MSL 2A Loans	“ <b>MSL 2A Rate</b> ” - being the sum of: i. 3.00 per cent.; and ii. Theatre 2 LIBOR
MSL 2B Loans	“ <b>MSL 2B Rate</b> ” - being the sum of: i. 3.75 per cent.; and ii. Theatre 2 LIBOR
MSL 2C Loans	“ <b>MSL 2C Rate</b> ” - being the sum of: i. 4.75 per cent.; and ii. Theatre 2 LIBOR
MSL 2D Loans	“ <b>MSL 2D Rate</b> ” - being the sum of: i. 5.75 per cent.; and ii. Theatre 2 LIBOR

The interest payable on each Theatre 1 Loan is intended to match the interest that will accrue on the corresponding Class of Notes i.e. the Theatre 1A Loans will correspond to the Class A Notes. See “*Note Restructuring Proposals – Trust Deed – Rates of Interest*” below.

#### New Money Loans:

The New Money Loans will bear a combination of cash interest and payment in kind interest, which when combined with the New Money Loan OID is calculated to provide a target internal rate of return of 10.5 per cent. On the Restructuring Effective Date the cash interest rate payable on the New Money Loans will be 2.7 per cent. per annum (the “**New Money Cash Rate**”) and based on a Restructuring Effective Date of 15 April 2015, the Master Servicer understands, the payment in kind interest rate would be 4.650 per cent. per annum (the “**New Money PIK Rate**”). Given the Restructuring Effective Date will fall after 15 April 2015, the New Money PIK Rate will be amended as necessary to achieve the required internal rate of return and based on an illustrative Restructuring Effective Date of 29 May 2015, the Master Servicer understands, the New Money PIK Rate would be 4.601 per cent.

#### Deficiency Claims:

The Deficiency Claims will accrue payment in kind interest. On the assumption of the Restructuring Effective Date is 15 April 2015, the Master Servicer understands, the payment in kind interest rate payable on the Deficiency Claims will be 3.301 per cent. (the “**Deficiency Claim PIK Rate**”). The Deficiency Claim PIK Rate is determined based on the aggregate amount of Junior Loans held by the Original Deficiency Claim Holders’ immediately prior to the Restructuring Effective Date and based on an illustrative Restructuring Effective Date of 29 May 2015, the Master Servicer understands, the Deficiency Claim PIK Rate would be 3.292 per cent.

#### Junior A Loans:

The Junior A Loans will accrue payment in kind interest. On the assumption of the Restructuring Effective Date is 15 April 2015, the Master Servicer understands, the payment in kind interest rate payable on the Junior A Loans will be 4.385 per cent. (the “**Junior A PIK Rate**”). The Junior A PIK Rate will be calibrated based on forecast returns to New Money Lenders as at the Restructuring Effective Date to determine the actual Junior A Loan PIK Rate for any designated Restructuring Effective Date and

based on an illustrative Restructuring Effective Date of 29 May 2015, the Master Servicer understands, the Junior A PIK Rate would be 4.373 per cent.

No interest, either cash or payment in kind, shall accrue on the Junior B Loans.

Default Interest

Default interest (being interest above the contracted rate of interest on the Senior Loan Tranches, the New Money Loans, the Junior A Loans and Deficiency Claims) (“**Default Interest**”) will accrue on:

- (a) each Senior Loan Tranche, while the Post-Default Conditions are in effect, from the date the Post-Default Conditions became effective until the date they cease to be in effect;
- (b) any sum due and payable by an Obligor but unpaid under the Finance Documents in relation to the Senior Loan Tranches, from the date the amount is due until the date on which it is actually paid;
- (c) any sum due and payable by an Obligor but unpaid under the New Money Loan or the Junior A Loans, from the date the amount is due until the date on which it is actually paid; and
- (d) any sum due and payable by an Obligor but unpaid under the Finance Documents relating to a Deficiency Claim from the date on which the Deficiency Claim is accelerated until the date on which it is actually paid.

The rate of Default Interest applicable on each Senior Loan Tranche is calculable as follows:

<b>Time</b>	<b>Senior Loan to Value</b>	<b>Default Interest</b>
From the Restructuring Effective Date to, other than where the Senior Loans have become due and payable as a result of the Facility Agent accelerating the Senior Loans pursuant to the provisions of the Restated Propco Facility Agreement, 15 July 2017	Less than 60 per cent.	1 per cent. increasing to 1.25 per cent. on the date which is nine months after the date on which the Post-Default Conditions became effective
From the Restructuring Effective Date to, other than where the Senior Loans have become due and payable as a result of the Facility Agent accelerating the Senior Loans pursuant to the provisions of the Restated Propco Facility Agreement, 15 July 2017	Equal to or greater than 60 per cent., but less than 70 per cent.	1.25 per cent. increasing to 1.5 per cent. on the date which is nine months after the date on which the Post-Default Conditions became effective
From the Restructuring Effective Date to, other than where the Senior Loans have become due and payable as a result of the Facility Agent accelerating the Senior Loans pursuant to the provisions of the Restated Propco Facility Agreement, 15 July 2017	Equal to or greater than 70 per cent.	1.625 per cent. increasing to 2 per cent. on the date which is nine months after the date on which the Post-Default Conditions became effective
(i) Upon the Senior Loans becoming due and payable as a result of the Facility Agent accelerating the Senior Loans pursuant to the provisions of the Propco Facility Agreement;	Less than 60 per cent.	2 per cent. increasing to 2.5 per cent. on the date which is nine months after the date on which the Post-Default Conditions became effective

and/or (ii) on or after 15 July 2017.		
(i) Upon the Senior Loans becoming due and payable as a result of the Facility Agent accelerating the Senior Loans pursuant to the provisions of the Propco Facility Agreement; and/or (ii) on or after 15 July 2017	Equal to or greater than 60 per cent., but less than 70 per cent.	2.5 per cent. increasing to 3 per cent. on the date which is nine months after the date on which the Post-Default Conditions became effective
(i) Upon the Senior Loans becoming due and payable as a result of the Facility Agent accelerating the Senior Loans pursuant to the provisions of the Propco Facility Agreement; and/or (ii) on or after 15 July 2017	Equal to or greater than 70 per cent.	3.25 per cent. increasing to 4 per cent. on the date which is nine months after the date on which the Post-Default Conditions became effective

It is intended that the payment of Default Interest on each Theatre 1 Loan will be used to pay the Post Effective Date Step-up Fees in relation to the corresponding Class of Notes to the extent that relevant funds are available to do so (see “*Note Restructuring Proposals – Trust Deed – Post Restructuring Effective Date Step-up Fees*” below).

The rate of Default Interest applicable to the New Money Loans and the Junior A Loans will be 1 per cent per annum. To the extent there are insufficient funds to pay such Default Interest pursuant to the Post-Default Conditions Waterfall such Default Interest shall be automatically capitalised.

The rate of Default Interest applicable to the Deficiency Claims will be 0.76 per cent per annum. Such Default Interest shall be automatically capitalised and added to the principal amount of the Deficiency Claims.

No Default Interest shall accrue on the Junior B Loans.

Pre-Restructuring Effective Date Interest and Senior Loan Interest Catch-up:

For the avoidance of doubt, the Borrowers will remain liable for all amounts that have accrued to the Finance Parties under the Finance Documents immediately prior to the Restructuring Effective Date, including all interest accrued on the Propco Loans up to the Restructuring Effective Date.

It is anticipated that the Restructuring Effective Date will not be a Loan Interest Payment Date. Notwithstanding the terms of the Propco Facility Agreement in effect immediately prior to the Restructuring Effective Date, no interest will be paid to the Senior Lenders on the Effective Date as a result of the prepayment of the Senior Loans by the application of the proceeds of the New Money Loans on the Restructuring Effective Date. However, on the Loan Interest Payment Date following the Restructuring Effective Date, in addition to the interest accrued on each Senior Loan Tranche from the Restructuring Effective Date, the Borrowers must pay (a) all interest that has accrued on the Senior Loans from the Loan Interest Payment Date prior to the Restructuring Effective Date to the Restructuring Effective Date and (b) the interest that would have accrued from the Restructuring Effective Date to the Loan Interest Payment Date following the Restructuring Effective Date on the amount of each Senior Loan Tranche prepaid on the Restructuring Effective Date.

Unpaid Step-Up Fees

The Borrowers will be obliged to pay to the Issuer and Theatre (Hospitals) No. 2 an amount on each Theatre 1 Loan and Theatre 2 Loan representing any Step-Up Fees (as defined in the Prospectus) which have accrued on each corresponding Class of Notes and each class of Theatre (Hospitals) No. 2 Notes and which remain unpaid on the Note Payment Date following the Restructuring Effective Date (such amounts the “**Unpaid Step-up Fees**”). The Borrowers will be obliged to pay the Unpaid Step-up Fees on each subsequent Loan Interest Payment Date to the extent that relevant funds are available to do so pursuant to the Rental Income Waterfall or the Post-Default Conditions Waterfall (see “- *Restated*”).

*Intercreditor Agreement – Rental Income Waterfall” and “- Restated Intercreditor Agreement – Post-Default Conditions Waterfall”).*

#### Consent Fees

Pursuant to the Restated Propco Facility Agreement and related consent fee letters, on the Restructuring Effective Date, the Borrowers shall be obliged to pay to: (i) the Issuer amounts equal to the Early Consent Fee and the Late Consent Fee payable as a result of the Consent Solicitation; and (ii) Theatre (Hospitals) No. 2 to pay the equivalent consent fees to be paid to the holders of the Theatre (Hospitals) No. 2 Notes as a result of the solicitation of consents from such holders.

#### Theatre 1 Facility Fees, Theatre 2 Facility Fees and Minority Senior Lender Facility Fees

The Restated Propco Facility Agreement shall require the Borrowers to pay:

- (a) to the Issuer:
  - (i) prior to the service of a Note Enforcement Notice with respect to the Notes or the Notes otherwise becoming due and payable, the fees, costs, expenses and other liabilities incurred by the Issuer referred to in paragraphs (a), (b), (c), (d), (e), (f) and (k) of the Issuer Pre-Enforcement Revenue Priority of Payments as set out in the Cash Management Agreement as at the Effective Date (without regard to any subsequent amendment thereto); and
  - (ii) following the service of a Note Enforcement Notice with respect to the Notes or the Notes otherwise becoming due and payable, the fees, costs, expenses and other liabilities incurred by the Issuer referred to in paragraphs (a), (b), (c) (d), (e) and (j) of the Issuer Post-Enforcement Priority of Payments as set out in the Cash Management Agreement as at the Effective Date (without regard to any subsequent amendment thereto) (the “**Theatre 1 Facility Fee**”);
- (b) to Theatre (Hospitals) No. 2, the equivalent amounts incurred by Theatre (Hospitals) No. 2 under the Theatre (Hospitals) No. 2 Securitisation (the “**Theatre 2 Facility Fee**”); and
- (c) to each Minority Senior Lenders, the amount incurred by that Minority Senior Lender in relation to those fees, costs, expenses, remuneration, indemnity payments (if any) and other liabilities due and payable by such Minority Senior Lender to the Master Servicer and the Special Servicer pursuant to the Servicing Agreement (the “**Minority Senior Lender Facility Fee**”).

If the amounts available to the Issuer to be applied pursuant to the Issuer Pre-Enforcement Revenue Priority of Payments or the Issuer Post-Enforcement Priority of Payments, as applicable, are in excess of the amounts due under such priority of payments in priority to payments to the Post-Step-up Reserve Ledger then the Theatre 1 Facility Fee payable shall be reduced by such excess. This reduction mechanism shall also apply to the Theatre 2 Facility Fee.

#### Repayment

Pursuant to the Restated Propco Facility Agreement, the Loan Final Maturity Date shall be extended to 15 April 2019 (the “**Restructured Loan Final Maturity Date**”) whereupon the Borrowers must repay each Loan and Deficiency Claim in full.

#### Amortisation

Under the Propco Facility Agreement in effect prior to the Restructuring Effective Date, on each Loan Interest Payment Date until the Original Loan Final Maturity Date the Borrowers were under an obligation to repay the Propco Loans through scheduled amortisation payments as described in the Prospectus. Under the Restated Propco Facility Agreement the Borrowers will be required, until the date on which all Senior Debt has been unconditionally and irrevocably paid and discharged in full (the “**Senior Debt Discharge Date**”), to repay the Senior Loans on each Loan Interest Payment Date as follows:

- (a) prior to the date on which all Swap Term Loan Debt has been unconditionally and irrevocably paid and discharged in full (the “**Swap Term Loan Debt Discharge Date**”), £7,000,000 to be shared *pro rata* with the Swap Term Loans and following the Swap Term Loan Debt Discharge Date £7,000,000 (the “**Repayment Instalments**”) and the Swap Term Loans *pro rata* share being the “**Swap Term Loan Repayment Instalments**”);

- (b) prior to the Swap Term Loan Debt Discharge Date, £2,500,000 to be shared *pro rata* with the Swap Term Loans and following the Swap Term Loan Debt Discharge Date £2,500,000 (the “**Additional Repayment Instalments**” and the Swap Term Loans *pro rata* share being the “**Swap Term Loan Additional Repayment Instalments**”) which shall only be paid to the extent the Borrowers have funds to do so pursuant to the Rental Income Waterfall or the Post-Default Conditions Waterfall, provided that to the extent any part of an Additional Repayment Instalment remains unpaid it shall remain outstanding; and
- (c) to the extent that the Borrowers have the funds to pay such amounts in accordance with and pursuant to the Rental Income Waterfall or the Post-Default Conditions Waterfall, any outstanding Repayment Instalments Shortfall Amounts (as defined below, see “- *Restated Intercreditor Agreement – Adjustment of Repayment Instalments*”).

Repayment Instalments and Additional Repayment Instalments will be reduced in the following circumstances:

- (a) on any of the first three Loan Interest Payment Dates after the Restructuring Effective Date (or if the Restructuring Effective Date is a Loan Interest Payment Date, the Restructuring Effective Date and either of the next two Loan Interest Payment Dates) to prevent a Payment Default following the payment of transaction costs involved in the negotiation and implementation of the Restructuring (see “- *Restated Intercreditor Agreement – Adjustment of Repayment Instalments*);
- (b) following any prepayment of the Loans following a Permitted Rent Reduction Transaction (see “- *Prepayment – Mandatory Prepayment – Permitted Rent Reduction Transaction*” below) the amount of each subsequent Repayment Instalment and Additional Repayment Instalment payable shall be reduced by a percentage equivalent to the ratio of: (i) the Adjusted Net Permitted Rent Reduction Proceeds applied in prepayment of the Senior Loans; and (ii) the principal amount outstanding of the Senior Loans immediately before the Permitted Rent Reduction Transaction became effective; and/or
- (c) as a result of the reallocation (any such reallocation a “**Senior Loan Reallocation**”) of all principal payments and Rental Income which would otherwise be applied in repayment of the Senior Loans pursuant to the provisions of the Restated Intercreditor Agreement (see “- *Restated Intercreditor Agreement – Application of Proceeds – Reallocation of Principal*” below).

#### Prepayment

The Restated Propco Facility Agreement shall contain materially the same prepayment provisions as summarised in the Prospectus and all such prepayments shall be made in accordance with the provisions of the Restated Intercreditor Agreement. See (“- *Restated Intercreditor Agreement – Application of Proceeds – Prepayments – Mandatory Prepayments – Disposals*”).

#### Voluntary Prepayment of Propco Loans

A Borrower may prepay the whole or any part of the Propco Loans provided: (i) where the prepayment relates to the Senior Loans, at the same time such Borrower pays a *pro rata* amount of the Swap Term Loans; and (ii) the minimum amount of such prepayment of the Propco Loans is £1,000,000.

#### Voluntary Prepayment of New Money Loans

On or after the Senior Debt Discharge Date, a Borrower may prepay the whole or any part of the New Money Loans provided: (i) at the same time such Borrower pays a *pro rata* amount of the Deficiency Claims; and (ii) the minimum amount of such prepayment of the New Money Loans is £1,000,000.

#### Voluntary Prepayment of Deficiency Claims

On or after the Senior Debt Discharge Date, a Borrower may prepay the whole or any part of a Deficiency Claim provided: (i) at the same time such Borrower pays a *pro rata* amount of the New Money Loans; and (ii) the minimum amount of such prepayment of that Deficiency Claim is £50,000.

#### Mandatory Prepayment - Change of Control

The Restated Propco Facility Agreement shall provide that all outstanding Swap Term Loans, Loans and Deficiency Claims, together with accrued interest as at that date and all other amounts accrued under the Finance Documents, shall be immediately due and payable upon the occurrence of a Change of Control, flotation of an Obligor (or a holding company of an Obligor) on a stock exchange or the sale of all or substantially all of the assets of the Obligors, where “**Change of Control**” shall mean:

- (a) prior to the Call Option Completion (see “- *Equity Transfer*” below) a change of control as described in the Prospectus; and
- (b) following the Call Option Completion, (at any time) any person, or group of persons acting in concert acquiring control either directly or indirectly (and whether through ownership of voting securities or otherwise) of the beneficial ownership of more than 50 per cent. of the ordinary shares in Hospital Topco (or any shares issues in replacement of, exchange for, or in addition to such shares (except any shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital) or into which any shares are sub-divided or otherwise converted .

*Mandatory Prepayment - Disposals*

The Restated Propco Facility Agreement shall provide that on a disposal of a Property or shares in any Obligor, Hospital Topco, each Obligor and, prior to the Call Option Completion, the Parent shall procure that the Release Amount of the Property or shares in an Obligor disposed of is immediately applied towards prepayment of the Swap Term Loans, the Loans and the Deficiency Claims.

If any part or interest of a Borrower in a Property is compulsorily purchased or is otherwise nationalised or otherwise expropriated, the relevant Borrower must, promptly upon the earlier of becoming aware or the Facility Agent giving notice of such event, prepay the Swap Term Loans, the Loans and the Deficiency Claims in amount which is equal to the Release Amount relating to the affected Property.

If a Property is destroyed or otherwise damaged to a material extent and the Facility Agent determines (acting reasonably) that such destruction or material damage is not insured for full reinstatement value or may result in the termination of any Principal Lease or in any abatement of rent under any Principal Lease which abatement is not insured for a period of at least three years the relevant Borrower must prepay its Swap Term Loans, Loans and Deficiency Claims in amount which is equal to the Release Amount relating to the affected Property.

*Mandatory Prepayment - Permitted Rent Reduction Transaction*

The Restated Propco Facility Agreement shall provide that the Borrowers shall prepay the Loans and the Deficiency Claims in amount equal to any Net Permitted Rent Reduction Transaction Proceeds received (see “- *Undertakings - Property Undertakings – Permitted Rent Reduction Transaction*” below) less the associated Hedge Prepayment Termination Amounts (the “**Adjusted Net Permitted Rent Reduction Proceeds**”). For the avoidance of doubt the Swap Term Loans shall not be paid from Net Permitted Rent Reduction Transaction Proceeds.

*Mandatory Prepayment - Tenant Incurrence Test*

The Restated Propco Facility Agreement will not require a prepayment of the Loans or Deficiency Claims upon the breach of the Tenant Incurrence Test as required by the form of Propco Facility Agreement in effect as at the date of this Consent Solicitation Memorandum.

*Mandatory Prepayment - Surplus Cashflow*

The Restated Propco Facility Agreement shall require the Borrowers to apply Surplus Cashflow in prepayment of the Loans and the Deficiency Claims on the Loan Interest Payment Date such Surplus Cashflow arises rather than the following Loan Interest Payment Date as currently required by the form of Propco Facility Agreement in effect as at the date of this Consent Solicitation Memorandum.

“**Surplus Cashflow**” shall mean:

- (a) prior to the Swap Term Loan Debt Discharge Date the surplus cash available after application of paragraphs (a) to (q) of the Rental Income Waterfall or paragraphs (a) to (l) of the Post-Default Conditions Waterfall, in each case to be shared on a *pro rata* basis between the Senior Loans and the Swap Term Loans;
- (b) following the Swap Term Loan Debt Discharge Date the surplus cash available after application of paragraphs (a) to (q) of the Rental Income Waterfall or paragraphs (a) to (l) of the Post-Default Conditions Waterfall;
- (c) following the Senior Debt Discharge Date the surplus cash available after application of paragraphs (a) to (s) of the Rental Income Waterfall or paragraphs (a) to (o) of the Post-Default Conditions Waterfall;

- (d) following the New Money Debt Discharge Date the surplus cash available after application of paragraphs (a) to (t) of the Rental Income Waterfall or paragraphs (a) to (q) of the Post-Default Conditions Waterfall; and
- (e) following the Junior A Debt Discharge Date the surplus cash available after application of paragraphs (a) to (u) of the Rental Income Waterfall or paragraphs (a) to (r) of the Post-Default Conditions Waterfall.

See “- Restated Intercreditor Agreement – Application of Proceeds – Rental Income Waterfall” and “- Application of Proceeds – Post-Default Conditions Waterfall” below.

#### Make-Whole

To the extent that any Senior Loan Tranche is prepaid in whole or in part prior to the first anniversary of the Restructuring Effective Date (other than any prepayment from Adjusted Net Permitted Rent Reduction Transaction Proceeds or Surplus Cashflow), a make whole payment equal to the net present value of the interest payments that would have been payable (including accrued interest) on the amount of the Senior Loan Tranche prepaid from the date of the prepayment or required prepayment until the first anniversary of the Restructuring Effective Date at a discount rate equal to the UK treasury rate as of the date of the prepayment or required prepayment plus 0.50 per cent. (the “**Make-Whole Amount**”) must be paid to the relevant Senior Lender. It is intended that any Make-Whole Amount paid on a Senior Loan Tranche held by the Issuer will be paid on the related Class of Notes on the immediately following Note Interest Payment Date. See “*Note Restructuring Proposals – Trust Deed – Make-Whole Amount*”.

#### Prepayment Fees

The Prepayment Fees under the fee letter dated on or about the Loan Closing Date are no longer applicable, however the Restated Propco Facility Agreement shall provide that upon any prepayment of all or any part of a New Money Loan on or before the third anniversary of the Restructuring Effective Date, the relevant Borrower must pay a prepayment fee to the New Money Lenders in an amount as further set out in detail the Restated Propco Facility Agreement available to Noteholders as set out in “*Additional Information – Documents available for inspection by Noteholders*” below.

#### Prepayments Generally

Any prepayment under the Restated Propco Facility Agreement must be made together with:

- (a) any amounts due and payable to the Facility Agent, the STL Facility Agent and the Borrower Security Trustee as at the date of such prepayment;
- (b) all Theatre 1 Facility Fees, Theatre 2 Facility Fees and Minority Senior Lender Facility Fees due and payable as at the date of such prepayment;
- (c) accrued interest on the amount prepaid up to the end of the Loan Interest Period (in the case of prepayments attributable to the Theatre 1 Loans or the Theatre 2 Loans (the “**Securitized Loans**”)) and up to the date of prepayment (in the case of prepayments attributable to the Loans, other than the Securitized Loans, and Deficiency Claims);
- (d) any applicable break costs;
- (e) all Hedge Prepayment Termination Amounts in connection with such prepayment;
- (f) any applicable prepayment fee in relation to the New Money Loans;
- (g) any applicable Make-Whole Amount; and
- (h) where any Swap Term Loan is being prepaid, and without double counting any of the above, any amount required to be paid in connection with such prepayment pursuant to the Swap Term Loan Facility Agreement.

#### Control Accounts

Pursuant to the Restated Propco Facility Agreement, the following additional accounts must be opened in the name of the Borrower Account Holder on or prior to the Restructuring Effective Date and maintained with a designated branch of the Borrower Account Bank:

- (a) a current account designated the “**Contingency Reserve Account**”;
- (b)

- (i) a separate current account on behalf of each Borrower with respect to Bank of Scotland plc in its capacity as Counterparty designated a collateral account; and
  - (ii) a current account on behalf of all of the Borrowers with respect to Barclays Bank PLC in its capacity as Counterparty designated a collateral account,
- such collateral accounts together with any other collateral account opened with respect to a New Hedge Document, the “**Collateral Accounts**”;
- (c) a current account designated the “**Operating Expenditure Account**”; and
  - (d) a current account designated the “**Superior Lease Reserve Account**”.

The Contingency Reserve Account, the Operating Expenditure Account and the Superior Lease Reserve Account will each be a Control Account (as defined in the Prospectus), however the Collateral Accounts will not be Control Accounts.

Contingency Reserve Account

If the Restructuring Effective Date is a Loan Interest Payment Date, on the Restructuring Effective Date, or otherwise on the first Loan Interest Payment Date following the Restructuring Effective Date an amount equal to £150,000 shall be paid into the Contingency Reserve Account and on each Loan Interest Payment Date thereafter amounts shall be paid in the Contingency Reserve Account so that amounts standing to the credit of the Contingency Reserve Account on such Loan Interest Payment Date is £50,000. Amounts standing to the credit of the Contingency Reserve Account must be used to pay any legal costs of the Borrowers as permitted under the Restated Propco Facility Agreement.

Operating Expenditure Account

Amounts shall be paid into the Operating Expenditure Account from the Rental Income Waterfall and the Post-Default Conditions Waterfall for those costs as set out in the Budget for the forthcoming quarter. The Obligors’ Agent may request the Facility Agent to withdraw from the Operating Expenditure Account amounts to pay the operating expenses of the Obligors and Hospital Topco all in accordance with the Budget (provided that whilst the Post-Default Conditions are in effect the withdrawal of non-essential operating expenses are subject to the control of the Master Servicer or the Special Servicer, as applicable).

Superior Lease Reserve Account

If the Restructuring Effective Date is a Loan Interest Payment Date, on the Restructuring Effective Date, or otherwise on the first Loan Interest Payment Date following the Restructuring Effective Date an amount equal to £150,000 shall be paid into the Superior Lease Reserve Account and on each Loan Interest Payment Date thereafter amounts shall be paid in the Superior Lease Reserve Account so that amounts standing to the credit of the Superior Lease Reserve Account on such Loan Interest Payment Date is £150,000. The Obligors’ Agent may request that the Facility Agent withdraw amounts standing to the credit of the Superior Lease Reserve Account and apply such amounts towards paying any unpaid amount due under any of the Superior Leases where there is not sufficient Rental Income from the Properties to pay it.

Collateral Accounts

The Collateral Accounts shall be primarily used to hold any collateral that is required to be posted in accordance with the New Hedge Documents.

Operation of Accounts

The Facility Agent will have sole signing rights on the Contingency Reserve Account, the Operating Expenditure Account, the Superior Lease Reserve Account and the Collateral Accounts.

On the Restructured Loan Final Maturity Date or upon any part of the Loans becoming immediately due and payable in accordance with the terms of the Restated Propco Facility Agreement or upon any part of the Swap Term Loans becoming immediately due and payable in accordance with the terms of the Swap Term Loan Facility Agreement, the monies standing to the credit of each Control Account (other than, prior to the termination of the Rent Counterparty Hedge Documents, the Excess Rent Account (as defined in the stock exchange announcement made by the Issuer on 18 June 2013) and the Upstream Proceeds Account (as defined in the stock exchange announcement made by the Issuer on 18 June 2013)) will be applied by the Facility Agent in the order set out in the Post-Default Conditions Waterfall.

#### Deposit Account

The Deposit Account will, on the Restructuring Effective Date, be closed as the Borrowers will no longer be permitted to deposit amounts into the Deposit Account to cure a breach of a financial covenant under the Restated Propco Facility Agreement.

#### General Account

The General Account will, on the Restructuring Effective Date, be closed.

#### Tax Reserve Account

Following the Restructuring Effective Date, an amount equal to the forecast aggregate tax liabilities of the Obligor for the following year will be paid into the Tax Reserve Account following the delivery of a tax compliance certificate on: (i) each anniversary of the Restructuring Effective Date; (ii) a disposal of a Property or shares in any Obligor and (iii) upon the occurrence or the Obligor's knowledge of any event or future event which is reasonably likely to occur that could reasonably be expected to have a material impact upon the tax obligations of the Obligor, to the extent cash is available upon application of the Rental Income Waterfall on each Loan Interest Payment Date. The Obligor shall also pay from any Permitted Rent Reduction Transaction Proceeds an amount equal to any tax payable by the Borrowers in connection with the receipt of such Permitted Rent Reduction Transaction Proceeds (the amount of Permitted Rent Reduction Transaction Proceeds less such amount so deposited, the "**Net Permitted Rent Reduction Transaction Proceeds**").

The Obligor shall pay all tax liabilities of the Obligor from the Tax Reserve Account where such payment will not give rise to a Loan Event of Default or an event of default under the Swap Term Loan Facility Agreement. Where the amount standing to the credit to the Tax Reserve Account is greater than the forecast tax liabilities of the Obligor such excess amount shall be applied on the next Loan Interest Payment Date in accordance with the Rental Income Waterfall.

#### Disposal Proceeds Account

Amounts standing to the credit of the Disposal Proceeds Account shall be applied by the Facility Agent in prepayment of the Swap Term Loans, the Loans and the Deficiency Claims as required by the Restated Propco Facility Agreement and the Swap Term Loan Facility Agreement in accordance with the provisions of the Restated Intercreditor Agreement. See "*Restated Intercreditor Agreement – Application of Proceeds – Prepayments – Voluntary Prepayment and Mandatory Prepayments*".

#### Mandatory Prepayment Account

Surplus Cashflow will no longer be paid into the Mandatory Prepayment Account and applied on the following Loan Interest Payment Date in prepayment of the Propco Loans, but shall instead be applied in payment of the Loans and the Deficiency Claims on the Loan Interest Payment Date that such Surplus Cashflow arises.

Any Net Permitted Rent Reduction Transaction Proceeds shall be paid into the Mandatory Prepayment Account and shall be used on the immediately following Loan Interest Payment Date to prepay the Loans and the Deficiency Claims in an amount equal to the Adjusted Net Permitted Rent Reduction Transaction Proceeds and to pay any associated Hedge Prepayment Termination Amount (being the difference between the Net Permitted Rent Reduction Transaction Proceeds and the Adjusted Net Permitted Rent Reduction Transaction Proceeds).

#### Rental Income Account

Amounts standing to the credit of the Rental Income Account shall be applied on each Loan Interest Payment Date in accordance with the Rental Income Waterfall or the Post-Default Conditions Waterfall as applicable. See "*Restated Intercreditor Agreement – Application of Proceeds – Rental Income Waterfall*" and "*Restated Intercreditor Agreement – Application of Proceeds – Post-Default Conditions Waterfall*".

#### Representations and Warranties

The Restated Propco Facility Agreement contains various representations and warranties to be made by each Obligor, Hospital Topco and, prior to the Call Option Completion, the Parent to each Finance Party (including, without limitation, in relation to certain corporate matters, the delivery of financial statements, environmental compliance, insurance cover and ownership of the relevant Property (if applicable)).

Certain of the representations will be repeated by reference to the facts and circumstances then existing on the first day of each Loan Interest Period.

A Loan Event of Default will occur if a representation made by any Obligor, Hospital Topco and, prior to the Call Option Completion, the Parent is or proves to have been incorrect or misleading in any material respect unless the failure to comply is capable of remedy and is remedied within 20 Business Days of the Facility Agent giving notice to the Obligors' Agent or the Obligor or Hospital Topco becoming aware of the matter.

#### Undertakings

##### General

Each Obligor, Hospital Topco and, prior to the Call Option Completion, the Parent will give various undertakings under the Restated Propco Facility Agreement. Such undertakings shall broadly mirror those given by the Obligors and the Parent in the Propco Facility Agreement immediately prior to the Restructuring Effective Date. Certain of the undertakings are subject to customary caveats such as material adverse effect and other materiality thresholds. The undertakings which have been materially amended in the Restated Propco Facility Agreement include, without limitation, those set out below.

##### Financial Covenants

- (a) **Senior Loan to Value:** If, on a Loan Interest Payment Date the Obligors' Agent has received sufficient information from the Tenant Group to calculate the Rent Cover Ratio for the most recent relevant period ending on or prior to that Loan Interest Payment Date and the Rent Cover Ratio is less than 1.15:1, each Borrower must ensure that the Senior Loan to Value does not exceed the following percentages:

<b>Applicable Period</b>	<b>Senior Loan to Value</b>
From the Effective Date up to (and including) the 2 <sup>nd</sup> anniversary of the Restructuring Effective Date	85.0%
From (but excluding) the 2 <sup>nd</sup> anniversary of the Restructuring Effective Date	80.0%

If on a Loan Interest Payment Date the Obligors' Agent has not received sufficient information from the Tenant Group to calculate the Rent Cover Ratio, but Netcare has made public Netcare Information sufficient to calculate the Tenant Group Rent Cover Ratio for the most recent relevant period ending on or prior to that Loan Interest Payment Date, then the Obligors' Agent must use that Netcare Information to calculate the Tenant Group Rent Cover Ratio for the most recent relevant period ending on or prior to that Loan Interest Payment Date, if the Tenant Group Rent Cover Ratio is less than 1.10:1, each Borrower must ensure that the Senior Loan to Value does not exceed the percentages set out above.

If on a Loan Interest Payment Date the Obligors' Agent has not received sufficient information from the Tenant Group to calculate the Rent Cover Ratio and Netcare Limited has not made public Netcare Information which contains sufficient information to enable the Obligors' Agent to calculate the Tenant Group Rent Cover Ratio, then:

- (i) the Obligors must use reasonable endeavours to agree a relevant amendment to the Restated Propco Facility Agreement with the Majority Senior Lenders;
- (ii) for that Loan Interest Payment Date and the following two Loan Interest Payment Dates thereafter (the "**Covenant Grace Period**"), either an independent director of the Obligor's Agent must certify that, to the best of their knowledge, Netcare's failure to publish Netcare Information is not a result of the material deterioration in the group's financial performance such that the Tenant Group Rent Cover Ratio would be less than 1.10:1, or each Borrower must ensure that the Senior Loan to Value does not exceed the percentages set out above; and
- (iii) following the Covenant Grace Period each Borrower must ensure that the Senior Loan to Value does not exceed the percentages set out above.

- (b) **Total Interest Cover Ratio:** Each Borrower must ensure that, on each Loan Interest Payment Date, the Total Interest Cover Ratio is not less than 1.3:1.
- (c) **Cure Rights:** In the event of a breach of either the Senior Loan to Value or Total Interest Cover Ratio, one or more of the New Money Lenders or Junior Lenders may make a “**Cure Payment**” in accordance with the Intercreditor Agreement (see “- *Restated Intercreditor Agreement – Cure Rights*” below) or the Borrowers may voluntarily prepay the Swap Term Loans and the Senior Loans (see “- *Prepayments – Voluntary Prepayment of Propco Loans*”), in each case in an amount which would ensure that, if recalculated, the Senior Loan to Value and/or Total Interest Cover Ratio would comply with the required percentages/ratio set out above as at the relevant Loan Interest Payment Date. The Borrowers will no longer be permitted to deposit amounts in the Deposit Account to cure any breach of any of the financial covenants.

Property Undertakings

Valuation

Pursuant to the Restated Propco Facility Agreement, the Obligors’ Agent will be under an obligation to procure that the Valuer delivers a Valuation to the Finance Parties: (a) within 2 months of (i) each anniversary of the Restructuring Effective Date; (ii) the date that is six months prior to the Restructured Loan Final Maturity Date; and (b) no later than two months after a request from the Facility Agent in relation to a compulsory purchase of all or part of a Property.

If the Valuer is (i) unable or confirms it is unable to gain access to the Properties to conduct a valuation prior to the date that is 1 month prior to any of the dates specified in the paragraph above, or (ii) fails to deliver the valuation by the specified date in the paragraph above, the Obligors’ Agent must ensure that a desktop valuation is provided to the Finance Parties. Such desktop valuation shall not cure any Loan Event of Default occurring from the Obligors failing to deliver a valuation when required under the Restated Propco Facility Agreement.

After the first anniversary of the Restructuring Effective Date, any of the Majority Senior Lenders, the Majority New Money Lenders or the Majority Junior A Lenders may instruct the Facility Agent to appoint a valuer, other than those (DTZ and Colliers) that conducted the Effective Date Valuation, for future valuations in accordance with the detailed procedures set out in the Restated Propco Facility Agreement.

Disposals

The Restated Propco Facility Agreement shall permit a disposal by: (a) a Borrower of the whole or any of its interest in its Property; (b) Hospital Midco of the whole or any of its shares in any Borrower, or (c) Hospital Topco of the whole or any of its shares in Hospital Midco where in each case, amongst other items, the following (non-exhaustive) conditions are met:

- (a) the Senior Loan to Value immediately following the completion of the disposal would not, if the disposal is completed in the period from the Restructuring Effective Date up to (and including) the second anniversary of the Restructuring Effective Date, be in excess of 85.0 per cent., or if the disposal completes after the second anniversary of the Restructuring Effective Date 80.0 per cent.;
- (b) an amount equal to:
  - (i) the Release Amount for the Property/Properties being disposed of;
  - (ii) the other amounts required to be paid in connection with the prepayment of the Swap Term Loans, the Loans and the Deficiency Claims following such disposal (see “- *Restated Propco Facility Agreement – Prepayment – Prepayments Generally*”); and
  - (iii) any direct third party costs and expenses (including any part of such costs and expenses in respect of or which represents VAT thereon) incurred and payable on account of such disposal,
 is paid into the Disposal Proceeds Account;
- (c) an amount equal to any taxes incurred or payable with respect to such disposal is paid into the Tax Reserve Account; and
- (d) if the Net Disposal Proceeds in respect of such disposal:

- (i) are less than or equal to:
  - A. the sum of the Allocated Swap Term Loan Amount and the Allocated Senior Loan Amount relating to (as applicable) the Property/Properties that are being disposed of;  
multiplied by
  - B. 115 per cent.;

each of the Majority Senior Lenders, the Majority New Money Lenders and the Majority Junior A Lenders consents to such disposal;
- (ii) are greater than:
  - A. the sum of the Allocated Swap Term Loan Amount and the Allocated Senior Loan Amount relating to (as applicable) the Property/Properties that are being disposed of;  
multiplied by
  - B. 115 per cent.;

subject to (iii) below, each of the Majority New Money Lenders and the Majority Junior A Lenders consents to such disposal;
- (iii)
  - A. are greater than:
    - (x) the sum of the Allocated Swap Term Loan Amount and the Allocated Senior Loan Amount relating to (as applicable) the Property/Properties that are being disposed of;  
multiplied by
    - (y) 115 per cent.; and
  - B. are equal to or greater than the sum of:
    - (x) the Allocated New Money Loan Amount relating to (as applicable) the Property/Properties that are being disposed of, multiplied by 115 per cent.;
    - (y) the Allocated Swap Term Loan Amount relating to (as applicable) the Property/Properties that are being disposed of; and
    - (z) the Allocated Senior Loan Amount relating to (as applicable) the Property/Properties that are being disposed of,

the Majority Junior A Lenders only consent to such disposal.

“**Release Amount**” shall be amended in the Restated Propco Facility Agreement to mean:

- (a) if the Senior Loan to Value is more than 80 per cent., 115 per cent. of the sum of the Allocated Swap Term Loan Amount, the Allocated Senior Loan Amount, the Allocated New Money Loan Amount, the Allocated Deficiency Claim Amount and the Allocated Junior A Loan Amount;
- (b) if the Senior Loan to Value is less than or equal to 80 per cent. and more than 70 per cent., 110 per cent. of the sum of the Allocated Swap Term Loan Amount, the Allocated Senior Loan Amount, the Allocated New Money Loan Amount, the Allocated Deficiency Claim Amount and the Allocated Junior A Loan Amount; and
- (c) if the Senior Loan to Value is less than or equal to 70 per cent., 105 per cent. of the sum of the Allocated Swap Term Loan Amount, the Allocated Senior Loan Amount, the Allocated New Money Loan Amount, the Allocated Deficiency Claim Amount and the Allocated Junior A Loan Amount.

Permitted Rent Reduction Transaction

The Borrowers will be entitled without further consent from the Finance Parties to enter into amendments to the Principal Leases to effect a reduction of the rent payable thereunder (each, a “**Permitted Rent**”

**Reduction Transaction**”) provided that, amongst other matters, such Permitted Rent Reduction Transaction must provide that:

- (a) any reduction in the rent (the amount by which rent is reduced being a “**Rent Reduction Amount**”) payable under the Principal Leases must not exceed in aggregate £25,000,000 per annum;
- (b) an obligation (with appropriate monitoring mechanisms) is imposed on Opco to apply at least 50 per cent. of all Rent Reduction Amounts for the period from the date of the Permitted Rent Reduction Transaction becoming effective through to 15 April 2019 as additional capital expenditure in the Properties;
- (c) the minimum consideration to be provided by Opco in connection with each reduction in rent is to be an amount equal to the Rent Reduction Amount for that reduction in rent multiplied by: (A) 7.5x, for the first £10m (or any portion thereof) of all Rent Reduction Amounts; plus (B) 8.0x, for the next £5m (or any portion thereof) of all Rent Reduction Amounts; plus (C) 9.0x, for the next £10m (or any portion thereof) of all Rent Reduction Amounts;
- (d) the Principal Leases are amended to provide an extension of the term of the Principal Leases to a date no less than 25 years after the date of the amendment to the Principal Lease(s);
- (e) there is a re-allocation of rent payable with respect to each Property based on the expected rental value for each Property as set out in the most recently received valuation of the Properties; and
- (f) there are amendments made to the terms of the Principal Leases to improve the Borrowers’ position under Principal Leases including increasing the Tenant’s information obligations under the Principal Leases and such other terms which would make the Principal Leases more attractive to a typical institutional investor.

No Permitted Rent Reduction Transaction shall be permitted if:

- (a) any person (together with its affiliates) holds directly or indirectly (i) more than 10 per cent. of the voting shares in Hospital Topco and (ii) any equity in Opco;
- (b) a Category A Event of Default or a Category C Event of Default (a “**Material In Value Default**”) is continuing or would occur as a result of the Permitted Rent Reduction Transaction;
- (c) the Permitted Rent Reduction Transaction will cause or at any time result in:
  - (i) an increase to the Senior Loan to Value in effect immediately prior to the effective date of the proposed Permitted Rent Reduction Transaction;
  - (ii) a reduction of the Total Interest Cover Ratio below 1.5:1; or
  - (iii) a reduction in the Total Interest Cover Ratio by more than 10 per cent. of the Total Interest Cover Ratio immediately prior to the proposed Permitted Rent Reduction Transaction becoming effective.

The Master Servicer will be notified of any proposed rent reduction transaction and shall be entitled to withhold consent to such proposed transaction if the Master Servicer has reasonable grounds to conclude that the proposed transaction does not satisfy the parameters described above and as more fully detailed in the Restated Propco Facility Agreement.

The Borrowers will reimburse the costs and expenses of Hospital Topco and the Obligors in connection with any Permitted Rent Reduction Transaction up to a maximum aggregate amount of £1,500,000 (or such greater amount as agreed to by the Master Servicer (such consent not to be unreasonably withheld or delayed)).

The consideration paid by Opco for any such Permitted Rent Reduction Transaction will be applied to amortise the Senior Loans in the Senior Loan Sequential Order (see “- *Restated Intercreditor Agreement – Application of Proceeds – Prepayments – Permitted Rent Reduction Transaction*”).

Allocated Loan Amounts

On each Loan Interest Payment Date following a valuation of the Properties:

- (a) the amount of the Swap Term Loans associated with a Property (the “**Allocated Swap Term Loan Amount**”);

- (b) the amount of the Senior Loans associated with a Property (the “**Allocated Senior Loan Amount**”);
- (c) the amount of the New Money Loans associated with a Property (the “**Allocated New Money Loan Amount**”);
- (d) the amount of the Deficiency Claims associated with a Property (the “**Allocated Deficiency Claim Amount**”);
- (e) the amount of the Junior A Loans associated with a Property (the “**Allocated Junior A Loan Amount**”); and
- (f) the amount of the Junior B Loans associated with a Property (the “**Allocated Junior B Loan Amount**”),

will be re-calculated based on the portion the value of that Property makes up of the aggregate of all Properties as set out in that valuation.

In addition on each Loan Interest Payment Date, the Allocated Swap Term Loan Amount, Allocated Senior Loan Amount, Allocated New Money Loan Amount, Allocated Deficiency Claim Amount, Allocated Junior A Loan Amount and Allocated Junior B Loan Amount in relation to each Property shall in addition to the above:

- (a) be reduced to zero if the related Property is disposed of;
- (b) be increased, on a *pro rata* basis, by an equal to the amount by which the Swap Term Loans, the Loans and/or the Deficiency Claims relating to that Property are increased as a result of the capitalisation of interest;
- (c) reduced, on a *pro rata* basis, by an amount equal to:
  - (i) if on that Loan Interest Payment Date, the Senior Loan to Value is greater than or equal to 70 per cent., 0 per cent.;
  - (ii) if on that Loan Interest Payment Date, the Senior Loan to Value is greater than or equal to 60 per cent. and less than 70 per cent., 66 per cent.;
  - (iii) if on that Loan Interest Payment Date, the Senior Loan to Value is less than 60 per cent., 100 per cent.;

in each case, of the aggregate amount by which the principal amount of the relevant Swap Term Loans, Loans and/or Deficiency Claim relating to that Property have been reduced by Repayment Instalments, Additional Repayment Instalments, Swap Term Loan Repayment Instalments and Swap Term Loan Additional Repayment Instalments on that Interest Payment Date; and
- (d) reduced, on a *pro rata* basis, by an aggregate amount equal to 80 per cent. of the Adjusted Net Permitted Rent Reduction Transaction Proceeds applied in prepayment of the Senior Loans.

Information Undertakings

Hospital Topco and each Obligor must supply, among other things, the following financial information to the Facility Agent:

- (a) its annual audited financial statements;
- (b) in the case of Hospital Topco only, its unaudited consolidated quarterly financial statements; and
- (c) in the case of each Obligor (other than Hospital Midco), the information required for an information spreadsheet for each financial half year (provided that each Borrower shall only be required to supply such information as it has received from the Tenant of its Property).

The Obligors’ Agent must supply, among other things, the following information to the Facility Agent:

- (a) a compliance certificate with each set of Hospital Topco’s annual and quarterly financial statements setting out the Obligors’ compliance with the Total Interest Cover Ratio and the Senior Loan to Value; and
- (b) prior to the end of each of Hospital Topco’s financial year a proposed Budget for approval by the Majority Lenders (if not approved the Budget for the forthcoming financial year shall be the last

approved Budget which may be the Budget delivered on the Restructuring Effective Date as a Propco Facility Agreement Condition Precedent).

#### Loan Event of Default

The Restated Propco Facility Agreement shall amend the Loan Events of Default contained in the form of the Propco Facility Agreement as at the date of this Consent Solicitation Memorandum in the following material respects:

- (a) failure to pay any Additional Repayment Instalments, Repayment Instalment Shortfall Amounts or certain of the costs, expenses or indemnity payments that are required to be paid to the New Money Lenders, the Deficiency Claim Holders or the Junior Lenders pursuant to the Restated Propco Facility Agreement shall not be a Loan Event of Default to the extent there are insufficient funds to pay such amounts pursuant to the Rental Income Waterfall or the Post-Default Conditions Waterfall;
- (b) failure by any party to the Effective Date Tax Deed to comply with any provision of the Effective Date Tax Deed (see “*Effective Date Tax Deed*” below) (subject to certain materiality thresholds) shall become a Loan Event of Default;
- (c) the balance sheet insolvency Loan Event of Default with respect to any Obligor or Hospital Topco shall be removed;
- (d) following the Call Option Completion the entire issued share capital of any Borrower ceasing to be legally and beneficially owned and controlled by Hospital Midco shall become a Loan Event of Default;
- (e) the entire issued ordinary share capital of Hospital Midco ceasing to be legally and beneficially owned and controlled by Hospital Topco shall become a Loan Event of Default;
- (f) failure to comply with any provision of the Shareholders’ Agreement which gives rise to a material adverse effect to the Lenders or the Deficiency Claim Holders shall be a Loan Event of Default; and
- (g) failure to comply with certain post Restructuring Effective Date obligations contained in the Global Restructuring Agreement (including, but not limited, to a capital reduction of each of the Borrowers following the Restructuring Effective Date where such failure has a material adverse effect) shall be a Loan Event of Default.

Pursuant to the terms of the Restated Propco Facility Agreement, upon the Restructuring Effective Date any existing Loan Event of Default (whether known or unknown) shall be waived. Such waiver shall not waive any Loan Event of Default occurring after the Restructuring Effective Date caused by circumstances, events or actions existing prior to the Restructuring Effective Date. Additionally, upon the Call Option Completion, any existing Loan Event of Default caused by the Parent shall be waived, but this shall not waive any Loan Event of Default caused by the Parent which arises after the Call Option Completion.

#### *Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans*

##### Restructuring of Existing Hedge Documents

A significant element of the Restructuring is the reconstitution of the interest rate hedging arrangements the Borrowers entered into on the Loan Closing Date. In summary on the day it is intended that the Restructuring Effective Date is to occur the following steps will occur in the order set out below:

- (a) the interest rate swap transactions (the “**Existing Hedging Transactions**”) under the Hedge Agreements that exist immediately prior to the Restructuring Effective Date (the “**Existing Hedge Documents**”) shall be novated from the current Hedge Counterparties (the “**Existing Hedge Counterparties**”) to a co-ordinating bank (the “**Execution Bank**”);
- (b) the Execution Bank will enter into offsetting market hedges with the Existing Hedge Counterparties;
- (c) the Existing Hedge Transactions will be terminated;
- (d) new interest rate swap transactions (the “**New Hedge Transactions**”) will be entered into between the Execution Bank and each Borrower;

- (e) the Execution Bank shall novate the New Hedge Transactions so that the New Hedge Mark-to-Market (as defined below) is allocated 45 per cent. to Bank of Scotland plc and 55 per cent. to Barclays Bank PLC (Bank of Scotland plc and Barclays Bank PLC together being the “**New Hedge Counterparties**”) and the Execution Bank shall enter into offsetting market hedges with the New Hedge Counterparties.

The Existing Hedge Documents of the New Hedge Counterparties shall be amended and restated on the Restructuring Effective Date to reflect the New Hedge Transactions (such documents as amended and restated the “**New Hedge Documents**”).

The aggregate mark-to-market of the New Hedge Transactions on the Restructuring Effective Date (the “**New Hedge Mark-to-Market**”) shall represent a portion of the aggregate mark-to-market of the Existing Hedge Transactions (the “**Existing Hedge Mark-to-Market**”). The remaining portion of the Existing Hedge Mark-to-Market shall represent termination amounts payable under the Existing Hedge Documents which shall be paid with the Swap Term Loans made available to the Borrowers by the Original Swap Term Loan Lender (as defined below) under the Swap Term Loan Facility Agreement on the Restructuring Effective Date.

The New Hedge Transactions shall hedge the Borrowers’ floating rate interest rate liabilities under the Restated Propco Facility Agreement (being the Senior Loans only) and the Swap Term Loan Facility Agreement. Under each New Hedge Document, the New Hedge Counterparties will pay to the relevant Borrower a sum determined by reference to LIBOR and the Borrower will pay to the relevant New Hedge Counterparty a sum determined by a fixed rate, both calculated on a notional amount as set out in the New Hedge Documents which is intended to correspond to the aggregate principal amount of the Senior Loans and the Swap Term Loans at the relevant time. Unless amended pursuant to the process described below, the New Hedge Documents shall have:

- (a) a notional principal amount equal to the principal amount of the Senior Loans and the Swap Term Loans (the “**Hedged Amounts**”);
- (b) a maturity date of 15 April 2021 (unless amended pursuant to the Remedial Actions described below);
- (c) a mandatory termination date of 15 April 2019; and
- (d) a fixed rate which shall equal the fix rate under the Existing Hedge Documents: (i) increased by 0.35 per cent. until 15 April 2021 (as may be amended pursuant to the Remedial Actions described below) (the “**Credit Spread**”); and (ii) reduced (the “**Existing Fixed Rate Buy Down**”) until 15 April 2019 by an amount that equates to an overall 0.50 per cent. reduction of the fixed rate under the Existing Hedge Documents for such period (the “**Existing Fixed Rate Buy Down Amount**”).

The New Hedge Mark-to-Market is dependent on the principal amount of the Swap Term Loans which is in turn dependent on the New Hedge Mark-to-Market, therefore the principal amount of the Swap Term Loans and the notional profile of the New Hedge Agreements will be determined immediately prior to the Restructuring Effective Date via an iterative process by the Execution Bank on behalf of the Existing Hedge Counterparties and the New Hedge Counterparties using valuation methodologies pre-agreed with an independent hedging expert.

Commerzbank AG, London Branch (the “**Original Swap Term Loan Lender**”) has committed, subject to satisfaction of relevant conditions precedent which largely mirror the Propco Facility Agreement Conditions Precedent, to provide the Swap Term Loans on the Restructuring Effective Date in an amount up to £400,000,000 (the “**Swap Term Loan Commitment Amount**”). However, the exact amount of the Existing Hedge Mark-to-Market is not determinable until immediately prior to the Restructuring Effective Date and therefore it is not known as at the date of this Consent Solicitation Memorandum whether the Swap Term Loan Commitment Amount will be greater than or equal to the amount that is necessary to be lent under the Swap Term Loan Facility Agreement so that the aggregate of the Swap Term Loans and the related New Hedge Mark-to-Market (excluding the Credit Spread and less the execution costs of the Execution Bank) will be sufficient to equal the Existing Hedge Mark-to-Market. If the Swap Term Loan Commitment Amount is insufficient to fund what is required on the Restructuring Effective Date the Junior Co-Comm may request that certain actions (“**Remedial Actions**”) are taken to prevent such commitment shortfall (a “**Swap Term Loan Commitment Amount Shortfall**”). In summary such Remedial Actions are:

- (a) the election of an additional lender to provide additional funding under the Swap Term Loan Facility Agreement;
- (b) a reduction, or elimination, of the Existing Fixed Rate Buy Down Amount, in which case the Credit Spread will be increased by an amount equal to 0.03 per cent. multiplied by the proportion of (i) the amount by which the Existing Fixed Rate Buy Down Amount needs to be reduced to prevent the likely occurrence of a Swap Term Loan Commitment Amount Shortfall on the Restructuring Effective Date, divided by (ii) the Existing Fixed Rate Buy Down Amount; and/or
- (c) incremental extensions of the termination date of the New Hedge Transactions to a date no later than 15 April 2024 with a corresponding increase to the Credit Spread of up to a maximum of 0.055 per cent.

If the Remedial Actions increase the New Hedge Mark-to-Market the Credit Spread will be increased by an additional amount of up to a maximum of 0.03 per cent.

The restructuring of the Existing Hedge Transactions and the procedure described above is set out in detail in the Global Restructuring Agreement. Noteholders are strongly advised to review Clause 19 (*Implementation of Restructuring*) of the Global Restructuring Agreement and Schedule 13 (*Swap Protocol*) of the Global Restructuring Agreement as amended by the Global Restructuring Agreement Amendment and Restatement Agreement. The Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Agreement) and the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information) are available to Noteholders (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted). See “*Additional Information – Documents available for inspection by Noteholders*”.

Based on the interest rates prevailing as at 9 April 2015 the mark-to-market under the Existing Hedge Documents, on an illustrative Restructuring Effective Date of 29 May 2015, is estimated at approximately £675 million. Based on these figures, if the Restructuring Effective Date were to occur on 29 May 2015, a combination of Remedial Actions (other than obtaining additional Swap Term Loan Lenders) would be required to ensure the principal amount of the Swap Term Loans is reduced to approximately £400 million and therefore smaller than the Swap Term Loan Commitment Amount. These figures are purely for illustrative purposes and no assurances can be given as to the mark-to-market under the Existing Hedge Documents on the Restructuring Effective Date or whether any Remedial Actions (if used) will be effective in reducing the principal amount of the Swap Term Loans to below the Swap Term Loan Commitment Amount.

#### Swap Term Loan Facility Agreement

As described above a portion of the Existing Hedge Mark-to-Market will be crystallised on the Restructuring Effective Date and shall be repaid through the provision of new funds from the Original Swap Term Loan Lender pursuant to the Swap Term Loan Facility Agreement. The principal amount of the Swap Term Loans will be calculated on the Restructuring Effective Date in the manner as described in “*Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans – Restructuring of Existing Hedge Documents*” above.

The Swap Term Loan Facility Agreement will be on substantially the same terms as the Restated Propco Facility Agreement *mutatis mutandis* other than in the following material respects:

- (a) the Swap Term Loans will have an interest rate (the “**STL Rate of Interest**”) of LIBOR plus a margin of 2.05 per cent. per annum (the “**STL Margin**”);
- (b) the Swap Term Loans will have a default interest rate of 2 per cent. per annum on unpaid sums;
- (c) during the first 18 months after the Restructuring Effective Date, a prepayment fee of 2 per cent. of the principal amount of the Swap Term Loans prepaid shall apply to any prepayment of the Swap Term Loans other than (i) a prepayment as a result of a disposal of a Property or the shares of an Obligor; or (ii) a prepayment of the Swap Term Loans from the Swap Term Loan Lenders’ *pro rata* share of Surplus Cashflow;

- (d) the Swap Term Loans will not be prepaid from any Adjusted Net Permitted Rent Reduction Transaction Proceeds;
- (e) an event of default (a “**Rent Reduction Event**”) shall occur under the Swap Term Loan Facility Agreement should any amendment or waiver be made to any of the Principal Leases which results in the gross rent for the remaining existing term of the Principal Leases being reduced by an amount exceeding the maximum rent reduction permitted pursuant to a Permitted Rent Reduction Transaction without the prior consent of the Majority Swap Term Loan Lenders;
- (f) the Swap Term Loans shall automatically accelerate upon the termination in whole, but not in part, of the hedging transactions under the New Hedge Documents; and
- (g) the Swap Term Loan Facility Agreement shall contain a requirement that the Borrowers shall provide reasonable non-financial assistance with the securitisation or syndication of the Swap Term Loans for a period of 12 months following the Restructuring Effective Date, *provided that* if the syndication or securitisation results in a lower cost of financing:
  - (i) either (A) 70 per cent. of the difference between STL Rate of Interest and the cost of financing (including any securitisation related costs) on the syndicated or securitised portion of the Swap Term Loans shall be paid by, or such payment shall be procured by, the Swap Term Loan Lenders to the Borrowers into the Rental Income Account on or shortly prior to each Loan Interest Payment Date; or (B) the Swap Term Loan Lenders and the Obligor’s Agent will agree an equivalent reduction in the STL Margin which accrues on the syndicated or securitised portion of the Swap Term Loans; and
  - (ii) costs properly incurred by the Swap Term Loan Lenders in the syndication or securitisation of the Swap Term Loans will be paid by the Borrowers up to a maximum amount of £350,000.

The agency provisions of the Swap Term Loan Facility Agreement will be divided between the Facility Agent and Capita Asset Servicers (Ireland) Limited as swap term loan facility agent (the “**STL Facility Agent**”). The Facility Agent shall perform those agency roles that are common to both the Restated Propco Facility Agreement and the Swap Term Loan Facility Agreement, for example, payment of monies from Control Accounts, whereas the STL Facility Agent will perform those agency roles specific to the Swap Term Loan Facility Agreement.

Noteholders are advised to review the substantially final form draft of the Swap Term Loan Facility Agreement available to Noteholders as set out in “*Additional Information – Documents available for inspection by Noteholders*” below.

#### New Hedge Documents

The New Hedge Documents in addition to providing for the commercial terms as set out in “*Restructuring of Existing Hedging Arrangements and Creation of Swap Term Loans - Restructuring of Existing Hedge Documents*” shall at all times:

- (a) be based substantially on the form of the 2002 ISDA Master Agreement and Schedule with such amendments and modifications as are satisfactory to the Facility Agent (acting reasonably); and
- (b) have an aggregate notional amount on any given Loan Interest Payment Date of at least 99 per cent. of the Hedged Amounts.

The New Hedge Documents are on materially the same terms as the Existing Hedge Documents other than for certain material differences as summarised below. The New Hedge Documents are at all times subject to the provisions of the Restated Propco Facility Agreement and the Swap Term Loan Facility Agreement.

#### Credit Support

The obligations of the Borrowers under each New Hedge Document shall be guaranteed by each Guarantor pursuant to the guarantee and indemnity contained in the Restated Propco Facility Agreement and any party that provides security pursuant to the Effective Date Security Documents.

#### Termination Events

Neither a New Hedge Counterparty nor a Borrower may terminate or close out a New Hedging Transaction under any New Hedge Document prior to its stated maturity except as set out below:

- (a) Subject to (b) below, where at any time the notional amount of the New Hedge Documents exceeds or will exceed, by more than one per cent., the Hedged Amounts, the Borrowers shall terminate a portion of the New Hedge Transactions so that the aggregate notional amount under the New Hedge Documents no longer exceeds or will not exceed the Hedged Amounts.
- (b) On the date that is five Loan Business Days prior to each Loan Interest Payment Date, the Borrowers, the New Hedge Counterparties and the Facility Agent shall consult until the date falling three Loan Business Days prior to that Loan Interest Payment Date to determine in good faith whether the notional amount of the New Hedge Documents will, as a result of the repayment/prepayment of the Hedged Amounts on that Loan Interest Payment Date from amounts standing to the credit of the Control Accounts, exceed the Hedged Amounts by more than one per cent. of the Hedged Amounts (an “**Interest Payment Date Over-hedging**”). If it is determined following such consultation that there will be an Interest Payment Date Over-hedging then on the date that is three Loan Business Days prior to that Loan Interest Payment Date, the Borrowers shall terminate a portion of the New Hedge Transactions so that the notional amount of the New Hedge Documents will not exceed the Hedged Amounts immediately following the application of all funds on that Loan Interest Payment Date, provided that no resulting termination payment shall be due and payable by the Borrowers until that Loan Interest Payment Date.
- (c) Where the Borrowers do not reduce the aggregate notional amount of the New Hedge Documents, in accordance with the requirements of paragraph (a) and (b) above the New Hedge Counterparties may terminate the relevant New Hedge Transactions.
- (d) A New Hedge Counterparty shall terminate or close out all New Hedge Transactions under its New Hedge Documents on 15 April 2019 (or the Restructured Loan Final Maturity Date if the Restructured Loan Final Maturity Date is amended to be a date earlier than 15 April 2019) in accordance with the terms of the New Hedge Documents.
- (e) If it becomes illegal for a party to continue to comply with its obligations under that New Hedge Document.
- (f) If the Hedged Amounts have irrevocably been paid or discharged in full (such termination or close-out right being applicable to a New Hedge Counterparty only).
- (g) The Facility Agent declares that all or part of the Loans are immediately due and payable (such termination or close-out right being applicable to a New Hedge Counterparty only).
- (h) The STL Facility Agent declares that all or part of the Swap Term Loans are immediately due and payable (such termination or close-out right being applicable to a New Hedge Counterparty only).
- (i) An Obligor has defaulted on a payment due under a New Hedge Document and the default has continued un-waived or un-remedied for 10 Loan Business Days following the date notice of that default has been given to the Facility Agent and the defaulting Obligor under the relevant Hedge Document (such termination or close-out right being applicable to a New Hedge Counterparty only).
- (j) A cross default (in relation only to any New Hedge Transactions under another New Hedge Document) or an illegality (each as defined in the 2002 ISDA Master Agreement) has occurred in respect of any Hedge Document (such termination or close-out right being applicable to a New Hedge Counterparty only).
- (k) If at any time:
  - (i) any Property; or
  - (ii) any shares in a Borrower which holds a Property or Hospital Midco,
    - is/are disposed of (by any means) and either:
      - A. the Facility Agent or the Borrower Security Trustee gives notice to a New Hedge Counterparty that it intends to apply (or applies) any disposal proceeds or proceeds from the enforcement of the security over such Property or shares; or

- B. the Facility Agent or the Borrower Security Trustee has received any disposal proceeds or proceeds from the enforcement of the security over such Property or shares and the Facility Agent or the Borrower Security Trustee intends to apply (or applies) such disposal proceeds or proceeds;
- (i) in or towards the satisfaction of the obligations of the Borrowers under the Finance Documents and/or the Swap Term Loan Finance Documents; or
  - (ii) to any person that is not a New Hedge Counterparty,
- the New Hedge Counterparty/Counterparties (but not the Borrower/Borrowers) may terminate the hedging transaction(s) applicable to the relevant Property/Properties or the relevant shares that has/have been disposed of.
- (l) If a rating event as provided for in the relevant New Hedge Document has occurred where:
- (i) a rating event remedy as provided for in the relevant New Hedge Document does not occur within the time period specified in the New Hedge Documents; and
  - (ii) the affected New Hedge Counterparty fails to take the measures required in response to that rating event as set out in the relevant New Hedge Documents,
- the Borrowers may terminate or close out the New Hedge Transactions under the relevant New Hedge Documents pursuant to and in accordance with the relevant New Hedge Documents (including that the Borrowers may only terminate or close out the hedging transactions following a rating event with the permission of the Facility Agent and either (i) it has found a willing replacement counterparty willing to enter into new hedging arrangements on substantially the same terms; or (ii) if it would not be required to make a payment in respect of the termination).
- (m) With the prior written consent of the Facility Agent.

Noteholders are advised to review the detailed termination provisions contained in the substantially final form drafts of the New Hedge Documents to be entered into by Barclays Bank PLC and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc, the Restated Propco Facility Agreement and the Swap Term Loan Facility Agreement available to Noteholders as set out in “*Additional Information – Documents available for inspection by Noteholders*” below.

*Hedge Counterparty Downgrade*

The ratings downgrade provisions of the Existing Hedge Documents have been updated in the New Hedge Documents to materially reflect the updating of the S&P and Fitch counterparty criteria in related to structured finance transactions (being the criteria set out in “*Counterparty Risk Framework Methodology and Assumptions*” published by S&P on 25 June 2013 and “*Counterparty Criteria for Structured Finance and Covered Bonds*”, including the “*Derivative Addendum*” thereto, published by Fitch on 14 May 2014, respectively).

Noteholders are advised to review the detailed provisions contained in the substantially final form drafts of the New Hedge Documents to be entered into by Barclays Bank PLC and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc available to Noteholders as set out in “*Additional Information – Documents available for inspection by Noteholders*” below.

*Collateral Support Annex*

In connection with the requirement for the New Hedge Counterparties to post collateral upon a rating event as described above each Borrower and the New Hedge Counterparties will on the Restructuring Effective Date enter into a credit support annex to form part of the New Hedge Documents.

Noteholders are advised to review the detailed provisions contained in the substantially final form drafts of the New Hedge Documents to be entered into by Barclays Bank PLC and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc available to Noteholders as set out in “*Additional Information – Documents available for inspection by Noteholders*” below.

*Restated Intercreditor Agreement*

### Intercreditor Agreement Amendment and Restatement Deed

The Intercreditor Agreement shall be amended and restated on the Restructuring Effective Date by an amendment and restated deed (the “**Intercreditor Agreement Amendment and Restatement Deed**” and the Intercreditor Agreement so amended and restated the “**Restated Intercreditor Agreement**”). The Restated Intercreditor Agreement will regulate the respective claims of the Swap Term Loan Lenders, the Senior Lenders, the New Money Lenders, the Deficiency Claim Holders, the Junior A Lenders, the Junior B Lenders and the New Hedge Counterparties, as to payments, subordination, priority and enforcement between them and as against the Obligors.

### Tranching of the Propco Loans

From the Restructuring Effective Date, the Propco Loans will continue to be tranching in the Restated Intercreditor Agreement so that the Propco Loans are divided into the Senior Loans; the Junior A Loans and the Junior B Loans. However, as from the Restructuring Effective Date, the Senior Loans will be further tranching in the Restated Intercreditor Agreement such that the Theatre (Hospitals) No. 1 Portion will be tranching into separate tranches each of a principal amount outstanding equal to the principal amount outstanding of the corresponding Class of Notes (the “**Theatre 1A Loans**” shall relate to the Class A Notes, the “**Theatre 1B Loans**” shall relate to the Class B Notes, the “**Theatre 1C Loans**” shall relate to the Class C Notes and the “**Theatre 1D Loans**” shall relate to the Class D Notes respectively and together the “**Theatre 1 Loans**”), the Theatre (Hospitals) No. 2 Portion will be tranching into separate tranches each of a principal amount outstanding equal to the principal amount outstanding of the corresponding class of Theatre (Hospitals) No. 2 Notes (the “**Theatre 2A Loans**”, the “**Theatre 2B Loans**”, the “**Theatre 2C Loans**” and the “**Theatre 2D Loans**” respectively and together the “**Theatre 2 Loans**”) and the Minority Senior Loan will be tranching into separate tranches which proportionally match the Theatre 1 Loans (the “**MSL 1A Loans**”, the “**MSL 1B Loans**”, the “**MSL 1C Loans**” and the “**MSL 1D Loans**” respectively and together the “**MSL 1 Loans**”) and the Theatre 2 Loans (the “**MSL 2A Loans**”, the “**MSL 2B Loans**”, the “**MSL 2C Loans**” and the “**MSL 2D Loans**” respectively and together the “**MSL 2 Loans**” and together with the MSL 1 Loans the “**MSL Loans**” and the Theatre 1 Loans, the Theatre 2 Loans and the MSL Loans together the “**Senior Loan Tranches**” and each a “**Senior Loan Tranche**”).

### Ranking

Pursuant to the Restated Intercreditor Agreement, the Swap Term Loan Debt and the amounts due under the New Hedge Documents will rank *pro rata* and *pari passu* amongst themselves and senior to all other debt owed by the Obligors. The Senior Debt (other than amounts due under the New Hedge Documents) ranks junior to the amounts due under the New Hedge Documents and the Swap Term Loan Debt, but senior to the New Money Debt and the Deficiency Claim Debt. The New Money Debt and the Deficiency Claim Debt will rank *pro rata* and *pari passu* amongst themselves and senior to the Junior A Debt, and the Junior A Debt ranks senior to the Junior B Debt. The Intra-Group Debt is subordinated to all other debt owed by the Obligors.

The concept of Excess Senior Debt and Excess Junior A Debt will no longer apply under the Restated Intercreditor Agreement.

### Amendments, Waivers and Approvals

The Restated Intercreditor Agreement sets out the basis on which the Facility Agent, the Lenders and the Deficiency Claim Holders may provide any Consent with respect to the Finance Documents and the basis on which the Facility Agent, the STL Facility Agent and the Swap Term Loan Lenders may provide any Consent with respect to the Swap Term Loan Finance Documents.

### Majority Lender Matters

Subject to the provisions described in “- *Priority Majority Lender Matters*”, “- *Super Majority Lender Matters*”, “- *Non-Junior B Lender Unanimous Matters*”, “- *Junior B Lender Unanimous Matters*”, “- *Disenfranchisement of Tenant Affiliates*” and “- *In Value Regime*”, any Consent under the Finance Documents requiring the Consent of the “**Majority Lenders**” shall require the Consent of the Majority Senior Lenders, the Majority New Money Lenders and the Majority Junior A Lenders (and no other Lender) shall be required.

### Priority Majority Lender Matters

Subject to the provisions described in “- *Disenfranchisement of Tenant Affiliates*” any Consent under the Restated Propco Facility Agreement in relation to:

- (a) the Default Interest applicable to the Senior Loans;
- (b) the approval of the Budget; or
- (c) the approval of the legal strategy plan of the Borrowers,

shall require the consent of the Priority Majority Lenders and no other Lender's Consent shall be required.

Super Majority Lender Matters

Subject to the provisions described in “- Priority Majority Lender Matters”, “- Non-Junior B Lender Unanimous Matters”, “- Junior B Lender Unanimous Matters”, “- Disenfranchisement of Tenant Affiliates” and “- In Value Regime”, the Consent of the Super Majority Lenders (and no other Lender) will be required in relation to, *inter alia*, the following:

- (a) any change to the date of payment or calculation of any amount due to a Lender under a Finance Document;
- (b) any change to the identity of the Obligors;
- (c) any change to the order of priority or subordination under any Finance Document;
- (d) an amendment to the nature or scope of the Security Documents or the manner in which the proceeds of the Transaction Security are distributed;
- (e) except as permitted under the Finance Documents, the release of all or substantially all of the Transaction Security;
- (f) except as permitted under the Finance Documents, any approval of, or consent to or change to any Principal Lease which is materially adverse to the interests of the Finance Parties;
- (g) any change to the rights and obligations of Lenders amongst themselves and the Lenders' rights to assign or transfer rights and obligations in relation to the Finance Documents; and
- (h) except as permitted under the Finance Documents, any amendment to the Holdco RPI Swaps;
- (i) any amendment to the Restated Intercreditor Agreement.

With respect to any Consent pursuant to paragraph (c) above relating to the Rental Income Waterfall and/or the Post-Default Conditions Waterfall, the Consent of the New Money Lenders and/or the Junior A Lenders shall only be required where the proposed Consent would have a materially adverse impact on their right to receive payments of any amounts under the Finance Documents.

“**Super Majority Lenders**” means, at any time:

- (a) all of the Senior Lenders;
- (b) New Money Lenders holding in aggregate 75 per cent. or more of the New Money Loans then outstanding; and
- (c) Junior A Lenders holding in aggregate 75 per cent. or more of the Junior A Loans then outstanding.

Non-Junior B Lender Unanimous Matters

Subject to the provisions described in “- Priority Majority Lender Matters” and “- Disenfranchisement of Tenant Affiliates”, the Consent of all Lenders other than Junior B Lenders (each, a “**Non-Junior B Lender**”) is required with respect to, *inter alia*:

- (a) any increase in the commitment (or the imposition of any new material obligation) of any Non-Junior B Lender;
- (b) any change in the currency of any amount payable to a Non-Junior B Lender; or
- (c) subject to overreaching provisions contained in the Restated Intercreditor Agreement, any change in the amount of principal or the rate of interest, fees or other amounts payable to a Non-Junior B Lender,  
under the Finance Documents.

With respect to any Consent relating to paragraph (c) above the Consent of the New Money Lenders and/or the Junior A Lenders shall only be required where the proposed Consent would have a materially adverse impact on their right to receive payment of any amount under the Finance Documents.

Junior B Lender Unanimous Matters

Subject to the provisions described in “- Priority Majority Lender Matters” and “- Disenfranchisement of Tenant Affiliates”, all Lenders must give their Consent to, *inter alia*:

- (a) any increase in the commitment (or the imposition of any new material obligation) of any Junior B Lender;
  - (b) any change in the currency of any amount payable to the Junior B Lenders; or
  - (c) any change in the amount of principal or the rate of interest, fees or other amounts payable to the Junior B Lenders,
- under the Finance Documents.

Consents – Swap Term Loan Lenders

Any amendment or waiver of the provisions in the Restated Propco Facility Agreement shall also be deemed to be made (and each Swap Term Loan Creditor shall be deemed to have consented) in respect of the corresponding provisions of the Swap Term Loan Facility Agreement, provided that any amendment to or waiver of the provisions of the Restated Propco Facility Agreement which would result in:

- (a) any increase in the commitment of any Swap Term Loan Lender under the Swap Term Loan Facility Agreement, or the imposition of any other new material obligation on any Swap Term Loan Lender;
- (b) any change in any interest rate or basis of calculation of any interest rate under the Swap Term Loan Facility Agreement;
- (c) any change in any payment date (including the maturity date) under the Swap Term Loan Facility Agreement;
- (d) any change in the currency of amounts payable to the Swap Term Loan Lenders under the Swap Term Loan Facility Agreement;
- (e) any change of an Obligor under the Swap Term Loan Facility Agreement;
- (f) any change to the transfer provisions in the Swap Term Loan Facility Agreement;
- (g) any change to the information provisions under the Swap Term Loan Facility Agreement (save where such change results in an increase in information provided to the Swap Term Loan Lenders or the Swap Term Loan Finance Parties); or
- (h) any waiver or amendment to the Restated Propco Facility Agreement which directly relates to the rights and obligations of, or would have an adverse effect on any payments to be made to, the Swap Term Loan Lenders (other than where the sole adverse effect is to reduce the amount of Surplus Cashflow which would be paid to the Swap Term Loan Lenders),

shall, subject to the provisions described in “- Disenfranchisement of Tenant Affiliates”, require the Consent of all of the Swap Term Loan Lenders. If such Consent is not given then no amendment or waiver shall be given with respect to the Restated Propco Facility Agreement.

No amendment or waiver to any provision of any Finance Document (other than the Restated Propco Facility Agreement) affecting the rights or obligations of the Swap Term Loan Lenders may be made without the prior written consent of the Swap Term Loan Lenders who together hold 75 per cent. or more of the aggregate principal amount outstanding of the Swap Term Loans.

Subject to the provisions described in “- Disenfranchisement of Tenant Affiliates”, any Consent under the Swap Term Loan Finance Documents with respect to:

- (a) an increase in the amounts payable under the Swap Term Loan Finance Documents other than as provided for under the terms of the Swap Term Loan Finance Documents as at the Restructuring Effective Date;
- (b) any change in any interest rate or basis of calculation of any interest rate under the Swap Term Loan Facility Agreement;

- (c) any change in any payment date (including the maturity date) under the Swap Term Loan Facility Agreement;
- (d) any change in the currency of amounts payable to the Swap Term Loan Lenders under the Swap Term Loan Facility Agreement;
- (e) any change of an Obligor under the Swap Term Loan Facility Agreement;
- (f) any additional fees, costs and expenses or any other amounts payable under the Swap Term Loan Finance Documents not provided for under the terms of the Swap Term Loan Finance Documents as at the Restructuring Effective Date; or
- (g) any amendment or waiver which relates to the rights and obligations of, or which would have an adverse effect on any payments to be made to, an Lender or a New Hedge Counterparty under the Finance Documents or the Swap Term Loan Finance Documents,

shall in addition to the Consent required under the relevant Swap Term Loan Finance Document require the prior Consent of the Majority Lenders and each of the New Hedge Counterparties.

Wherever a right of Consent (other than with respect to an amendment or waiver) is expressly given to either the Facility Agent or any of the Lenders under the Restated Propco Facility Agreement, a Consent in relation to any such provision will be deemed to have been given by the Swap Term Loan Lenders in relation to the corresponding provision in the Swap Term Loan Facility Agreement, except where such Consent would have an adverse effect on any payments to be made to the Swap Term Loan Lenders (other than where the sole adverse effect is to reduce the amount of Surplus Cashflow payable to the Swap Term Loan Lenders), in which case the Consent of the relevant Swap Term Loan Lenders will also be required and if such Consent is not given then corresponding Consent shall be given with respect to the Restated Propco Facility Agreement

Consents - Deficiency Claim Holder

Subject to the provisions described in “- *Disenfranchisement of Tenant Affiliates*”, the Consent of the Majority Deficiency Claim Holders shall be required with respect to any amendment or waiver of the Finance Documents or the Swap Term Loan Finance Documents which would have the effect of:

- (a) changing the *pari passu* ranking of the Deficiency Claims relative to the New Money Loans;
- (b) increasing the interest rate on the New Money Loans without providing for an equivalent increase in the interest rate on the Deficiency Claims;
- (c) issuing equity, warrants or providing any other asset in respect of the New Money Loans without providing equivalent equity, warrants or other assets in respect of the Deficiency Claims; and/or
- (d) changing the Restructured Loan Final Maturity Date as it applies to the New Money Loans without providing for an equivalent change to the final repayment date of the Deficiency Claims.

Pursuant to the terms of the Restated Intercreditor Agreement, each Deficiency Claim Holder must vote in favour of and take any necessary action to facilitate the implementation of any restructuring of the Finance Documents if requested to do so by the Majority New Money Lenders provided such restructuring does not involve any of the amendments listed at paragraphs (a) to (d) above for which the Majority Deficiency Claim Holders must give consent.

Consents - New Hedge Counterparties, Master Servicer and Special Servicer

Subject to the provisions described in “- *Disenfranchisement of Tenant Affiliates*”, the Consent of a New Hedge Counterparty will only be required: (i) in respect of a Consent under the Finance Documents or the Swap Term Loan Finance Documents that affects the rights or obligations of that New Hedge Counterparty, or (ii) there is a proposed amendment to the Restructured Loan Final Maturity Date.

The Consent of the Master Servicer or the Special Servicer will only be required to make an amendment to the Finance Documents or the Swap Term Loan Finance Documents if such amendment affects the rights or obligations of the Master Servicer or the Special Servicer, respectively.

Disenfranchisement of Tenant Affiliates

The Consent of any Swap Term Loan Lender, Lender, Deficiency Claim Holder or New Hedge Counterparty shall not be required, and shall not be considered in determining the required majorities with respect to, where such Swap Term Loan Lender, Lender, Deficiency Claim Holder or New Hedge Counterparty is: (i) a Tenant, an affiliate of Tenant, any trust of which that Tenant or any of its affiliates

is a trustee, any partnership of which that Tenant or any of its affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, that Tenant or any of its affiliates; (ii) the Parent; (iii) Opco; (iv) an entity within the Tenant Group; (v) an affiliate of the Parent; or (vi) an entity which controls directly or indirectly any entity within the Tenant Group (each a “**Tenant Affiliate**”).

Other Consents

The Consent of the Rent Counterparty and the Holdco Directors will be required only in respect of any amendment of such parties’ rights to receive payment of fees payable to them under the Rental Income Waterfall and the Post-Default Conditions Waterfall (set out below).

In Value Regime

If:

- (a) a Material In Value Default is outstanding;
- (b) any Enforcement Action (other than entering into a standstill agreement or issuing a reservation of rights letter) has been taken (“**Material Enforcement Action**”); or
- (c) the Restructured Loan Final Maturity Date has occurred.

the “**In Value Regime**” will apply.

If the In Value Regime applies and a Consent under the Finance Documents which falls within “- *Super Majority Lender Matters*” or “- *Majority Lender Matters*” is required to take any step or action, the Facility Agent must determine whether a Lender Group is In Value based on the most recent valuation received by the Facility Agent. The votes of any Lender in the Lender Group which is not In Value will be disregarded when determining the aggregate voting thresholds for that Consent and such Lender’s commitment will be deemed to be zero.

The In Value Regime will not apply to:

- (a) the Senior Lenders;
- (b) the New Money Lenders in a limited number of circumstances set out in the Restated Intercreditor Agreement relating to, *inter alia*:
  - (i) change to the identity of the Obligors;
  - (ii) except as permitted under the Finance Documents, the release of all or substantially all of the Transaction Security;
  - (iii) any approval of, or consent to, change to any Principal Lease which is materially adverse to the interests of the Finance Parties; and
  - (iv) any determination of what constitutes a material adverse effect in relation to a Loan Event of Default with respect to any compulsory purchase, a repudiation of a Principal Lease or the performance of a Borrower of its obligations under a Superior Lease,and accordingly the votes of any New Money Lenders, will not, subject to certain limited exceptions, be disregarded, even if the relevant New Money Lender is not In Value; or
- (c) the New Money Lenders or the Junior A Lenders in a limited number of circumstances set out in the Restated Intercreditor Agreement relating to, *inter alia*:
  - (i) the majority of the matters set out in “- *Super Majority Lender Matters*”;
  - (ii) the giving of any instruction to the Facility Agent or the Borrower Security Trustee to give consent in relation to a Superior Lease;
  - (iii) changes to any engagement letter related to a valuation of the Properties;
  - (iv) the giving of any instructions to the Facility Agent to consent to a termination of any New Hedge Document,

and accordingly the votes of the New Money Lenders and Junior A Lenders, will not, subject to certain limited exceptions, be disregarded, even if the relevant New Money Lender or Junior A Lender is not In Value.

“**Lender Group**” means each of the Senior Lenders, the New Money Lenders, the Junior A Lenders and/or the Junior B Lenders.

“**In Value**” means, for any Lender Group, that an amount equal to 95 per cent. of the aggregate value of the Properties, based on the most recent valuation received by the Facility Agent, is equal to or greater than:

- (a) all Prior Ranking Claims; plus
- (b) 20 per cent. of the amounts outstanding under the Finance Documents (including any capitalised interest on such amounts) to and/or ranking *pari passu* with that Lender Group.

#### Applications of Proceeds

##### Restructuring Effective Date Payments

On the Restructuring Effective Date, all monies standing to the credit of the Mandatory Prepayment Account immediately prior to the Restructuring Effective Date will be applied in payment of the costs incurred by various parties in connection with the Restructuring with any remainder applied on a *pro rata* basis to each Senior Loan Tranche (the “**Senior Loan Pro Rata Order**”).

The proceeds received from the New Money Lenders on the Restructuring Effective Date will be applied on a *pari passu* and *pro rata* basis to the Theatre 1 Loans, the Theatre 2 Loans, the MSL 1 Loans and the MSL 2 Loans. The proceeds applied to the Theatre 1 Loans will be applied in the following order of priority:

- (a) on a *pro rata* and *pari passu* basis in or towards prepayment of the Theatre 1B Loans;
- (b) following the redemption in full of the Theatre 1B Loans, on a *pro rata* and *pari passu* basis in or towards prepayment of the Theatre 1A Loans;
- (c) following the redemption in full of the Theatre 1A Loans, on a *pro rata* and *pari passu* basis in or towards prepayment of the Theatre 1C Loans; and
- (d) following the redemption in full of the Theatre 1C Loans, on a *pro rata* and *pari passu* basis in or towards prepayment of the Theatre 1D Loans.

The proceeds applied to Theatre 2 Loans, the MSL 1 Loans and the MSL 2 Loans will be applied in the same manner as they would be applied in the Senior Loan Sequential Order.

Any such amounts paid to the Issuer on the Restructuring Effective Date, will be held in the Issuer Transaction Account and used to redeem the relevant Notes on the Effective Date or if the Effective Date is not a Note Payment Date, on the Note Payment Date following the Effective Date (see “*Note Restructuring Proposals – Trust Deed – Application of the Effective Date Principal Amounts*”).

##### Prepayments

#### Illegality and Cancellation

Whilst the Pre-Default Conditions are in effect, any prepayment made by an Obligor, as required under the Restated Propco Facility Agreement or the Swap Term Loan Facility Agreement, as a result of (i) it becoming illegal for a Swap Term Loan Lender, Lender or Deficiency Claim Holder to perform its obligations under the Restated Propco Facility Agreement or Swap Term Loan Facility Agreement, as applicable, or (ii) the repayment of a Swap Term Loan Lender's participation in the Swap Term Loans, a Lender's participation in the Loans or a Deficiency Claim Holder's participation in the Deficiency Claims as a result of an Obligor being required to gross-up tax or a claim made against an Obligor under the tax indemnity or increased cost provisions of the Restated Propco Facility Agreement or Swap Term Loan Facility Agreement, as applicable, shall be paid in the order of priority set out in “- *Voluntary prepayments and mandatory prepayments*”, however prior to the Swap Term Loan Debt Discharge Date, no Senior Lender shall receive any such prepayment unless there is a corresponding *pro rata* prepayment of the Swap Term Loans. Prior to the Senior Debt Discharge Date no New Money Lender or Deficiency Claim Holder shall receive any such prepayment. Similarly the Junior A Lenders will not receive any such prepayment until the New Money Debt Discharge Date and the Deficiency Claim Debt Discharge Date and the Junior B Lenders will not receive any such prepayment until the Junior A Debt Discharge Date.

#### Voluntary Prepayment and Mandatory Prepayments

Whilst the Pre-Default Conditions are in effect, with respect to any prepayment of the Swap Term Loans, the Loans and/or the Deficiency Claims under, and pursuant to, the Propco Facility Agreement and/or the Swap Term Loan Facility Agreement (other than any prepayment described in “*Propco Facility*”).

*Agreement – Prepayment – Mandatory Prepayment – Permitted Rent Reduction Transaction” or “Propco Facility Agreement – Prepayment – Mandatory Prepayment – Surplus Cashflow”*), the Facility Agent will apply amounts received from the Obligor in respect of such prepayment on the date of such prepayment in the following order of priority:

- (a) on a *pro rata* and *pari passu* basis in payment of all fees, costs and expenses due and payable to the Facility Agent, the STL Facility Agent and the Borrower Security Trustee as at the date of prepayment;
- (b) on a *pro rata* and *pari passu* basis in payment to:
  - (i) the New Hedge Counterparties for all Hedge Prepayment Termination Amounts arising in connection with such prepayment;
  - (ii) the Swap Term Loan Lenders for all amounts due and payable in connection with such prepayment under the Swap Term Loan Facility Agreement other than any principal amount which shall be payable pursuant to (g) below;
- (c) to the Senior Lenders with respect to any due and payable Make-Whole Amounts;
- (d) on a *pro rata* and *pari passu* basis in payment to:
  - (i) the Issuer for all amounts due and payable in respect of the Theatre 1 Facility Fee (other than those amount representing Liquidity Subordinated Amounts which shall instead be payable pursuant to sub-paragraph (f)(i) below) as at the date of prepayment;
  - (ii) Theatre (Hospitals) No. 2 for all amounts due and payable in respect of the Theatre 2 Facility Fee (other than those amount representing the Theatre (Hospitals) No. 2 Securitisation equivalent of Liquidity Subordinated Amounts which shall instead be payable pursuant to sub-paragraph (f)(ii) below) as at the date of prepayment; and
  - (iii) the Minority Senior Lenders for all amounts due and payable in respect of the Minority Senior Lender Facility Fee as at the date of prepayment;
- (e) on a *pro rata* and *pari passu* basis in payment to the Senior Lenders of:
  - (i) accrued interest up to the next Loan Interest Payment Date on the portion of the Theatre 1 Loans or the Theatre 2 Loans (the “**Securitised Loans**”) being prepaid;
  - (ii) accrued interest up to the date of prepayment on the portion of the MSL 1 Loans and the MSL 2 Loans being prepaid up to the date of prepayment; and
  - (iii) all applicable break costs due to the Senior Lenders in connection with the prepayment, to be applied in the Senior Loan Interest Sequential Order;
- (f) on a *pro rata* and *pari passu* basis in payment to:
  - (i) the Issuer for all amounts due and payable in respect of the Theatre 1 Facility Fee representing Liquidity Subordinated Amounts as at the date of prepayment; and
  - (ii) Theatre (Hospitals) No. 2 for all amounts due and payable in respect of the Theatre 2 Facility Fee representing the Theatre (Hospitals) No. 2 Securitisation equivalent of Liquidity Subordinated Amounts as at the date of prepayment;
- (g) in an amount equal to the principal prepayment under the Restated Propco Facility Agreement and the Swap Term Loan Facility Agreement on a *pro rata* and *pari passu* basis in prepayment of:
  - (i) the Senior Loans in the Senior Loan Sequential Order; and
  - (ii) prior to the Swap Term Loan Debt Discharge Date, the Swap Term Loans;
- (h) following the Senior Debt Discharge Date in the following order of priority:
  - (i) all prepayment fees due to the New Money Lenders in connection with the prepayment of the New Money Loans;
  - (ii) on a *pro rata* and *pari passu* basis in payment of:
    - A. all accrued interest on the amount of the New Money Loans being prepaid up to the date of prepayment;

- B. all applicable break costs due to the New Money Lenders in connection with the prepayment;
  - C. all accrued interest on the amount of the Deficiency Claims being prepaid up to the date of prepayment; and
  - D. all applicable break costs due to the Deficiency Claim Holders in connection with the prepayment;
- (iii) in an amount equal to the principal prepayment under the Restated Propco Facility Agreement on a *pro rata* and *pari passu* basis in prepayment of:
- A. the New Money Loans; and
  - B. the Deficiency Claims;
- (i) following the New Money Debt Discharge Date and the Deficiency Claim Debt Discharge Date in the following order of priority:
- (i) in payment of:
    - A. all accrued interest on the amount of the Junior A Loans being prepaid up to the date of prepayment; and
    - B. all applicable break costs due to the Junior A Lenders in connection with the prepayment;
  - (ii) in an amount equal to the principal prepayment under the Restated Propco Facility Agreement in prepayment of the Junior A Loans on a *pro rata* and *pari passu* basis;
- (j) following the Junior A Debt Discharge Date in an amount equal to the principal prepayment under the Restated Propco Facility Agreement in prepayment of the Junior B Loans on a *pro rata* and *pari passu* basis.

Whilst the Pre-Default Conditions are in effect, prior to the Swap Term Loan Debt Discharge Date if the Borrowers voluntarily prepays the whole or any part of the Senior Loans, the Borrowers shall be required to prepay a *pro rata* amount of the Swap Term Loans and *vice versa* all in accordance with the priority of payments set out above.

#### Permitted Rent Reduction Transaction

Whilst the Pre-Default Conditions are in effect, the Facility Agent shall apply the Net Permitted Rent Reduction Transaction Proceeds standing to the credit of the Mandatory Prepayment Account on the Loan Interest Payment Date following the receipt of any Permitted Rent Reduction Transaction Proceeds as follows:

- (a) in an amount equal to:
  - (i) the Net Permitted Rent Reduction Transaction Proceeds; minus
  - (ii) the Adjusted Net Permitted Rent Reduction Transaction Proceeds,
 to pay the New Hedge Counterparties for all Hedge Prepayment Termination Amounts arising in connection with the prepayment of the Senior Loans pursuant to paragraph (a) below;
- (b) in an amount equal to the Adjusted Net Permitted Rent Reduction Transaction Proceeds in prepayment of:
  - (i) the Senior Loans in the Senior Loan Sequential Order;
  - (ii) following the Senior Debt Discharge Date, on a *pro rata* and *pari passu* basis, in prepayment of (A) the New Money Loans and (B) the Deficiency Claims;
  - (iii) following the New Money Debt Discharge Date and the Deficiency Claim Debt Discharge Date, in prepayment of the Junior A Loans on a *pro rata* and *pari passu* basis; and
  - (iv) following the Junior A Debt Discharge Date, in prepayment of the Junior B Loans on a *pro rata* and *pari passu* basis.

#### Rental Income Waterfall

Whilst the Pre-Default Conditions are in effect, all amounts standing to the credit of the Rental Income Account will be applied by the Facility Agent on each Loan Interest Payment Date in the following order of priority (the “**Rental Income Waterfall**”):

- (a) on a *pro rata* and *pari passu* basis in or towards:
  - (i) payment of any unpaid rent due under any Superior Lease not otherwise paid or to be paid out of service charge proceeds;
  - (ii) on the Restructuring Effective Date, if the Restructuring Effective Date is a Loan Interest Payment Date, or otherwise on the first Loan Interest Payment Date following the Restructuring Effective Date, in payment to the Superior Lease Reserve Account in an amount equal to £150,000 and on each Loan Interest Payment Date thereafter in an amount to ensure that the balance standing to the credit of the Superior Lease Reserve Account on each Loan Interest Payment Date is £150,000;
  - (iii) payment to the Operating Expenditure Account in amounts for the forthcoming quarter, as set out in the Budget;
  - (iv) payment of amounts due to the directors of the Holdcos pursuant to the Holdco Indemnity Letter; and
  - (v) the fee due to the Rent Counterparty pursuant to the RPI Fee Letter;
- (b) on a *pro rata* and *pari passu* basis in or towards payment of all costs incurred by the Agents, the Master Servicer, the Senior Creditors and the Swap Term Loan Creditors in connection with the Restructuring;
- (c) on a *pro rata* and *pari passu* basis in or towards payment of unpaid fees, costs and expenses incurred by the Agents, the Master Servicer, the Special Servicer, the Senior Creditors (including the Master Servicer and the Special Servicer and payment of the Theatre 1 Facility Fees, the Theatre 2 Facility Fees and the Minority Senior Lender Facility Fee (other than any amounts representing Liquidity Subordinated Amounts and the Theatre (Hospitals) No. 2 Securitisation equivalent of Liquidity Subordinated Amounts)) and the Swap Term Loan Creditors under the Finance Documents and the Swap Term Loan Finance Documents (other than costs incurred in connection with the Restructuring);
- (d) on a *pro rata* and *pari passu* basis in or towards payment of all costs incurred by the Junior Lenders and the Borrowers in connection with the Restructuring;
- (e) on a *pro rata* and *pari passu* basis in or towards payment of unpaid fees, costs and expenses due to the New Money Lenders and the Junior Lenders (other than costs in relation to the Restructuring or costs incurred with respect to a Control Valuation) up to a maximum amount of £18,750 in aggregate in each quarter following the Restructuring Effective Date;
- (f) in payment on the Restructuring Effective Date, if the Restructuring Effective Date is an Loan Interest Payment Date, or otherwise on the first Loan Interest Payment Date following the Restructuring Effective Date, in payment to the Contingency Reserve Account in an amount equal to £150,000 and on each Loan Interest Payment Date thereafter in an amount to ensure that the balance standing to the credit of the Contingency Reserve Account on such Loan Interest Payment Date is £50,000;
- (g) on a *pro rata* and *pari passu* basis in or towards payment to:
  - (i) the New Hedge Counterparties for amounts due and payable under the Finance Documents; and
  - (ii) the Swap Term Loan Lenders for all amounts due and payable under the Swap Term Loan Facility Agreement including the Swap Term Loan Repayment Instalments, but excluding those amounts payable under paragraphs (k)(ii), (p)(ii) and (r)(ii) below;
- (h) on a *pro rata* and *pari passu* basis in or towards payment to the Senior Lenders:
  - (i) in respect of interest (excluding Default Interest) accrued on the Senior Loans following the Restructuring Effective Date (including those amounts described in “*Restated Propco Facility Agreement – Pre-Effective Date Interest and Senior Loan Interest Catch-up*”); and

- (ii) in respect of interest (excluding Default Interest) that has accrued on the Senior Loans pursuant to the terms of the Propco Facility Agreement in effect immediately prior to the Restructuring Effective Date from the Loan Interest Payment Date immediately prior to the Restructuring Effective Date to the Restructuring Effective Date, to be applied in the Senior Loan Interest Sequential Order;
- (i) on a *pro rata* and *pari passu* basis in or towards payment to:
  - (i) the Issuer of that part of the Theatre 1 Facility Fee representing Liquidity Subordinated Amounts; and
  - (ii) Theatre (Hospitals) No. 2 that part of the Theatre 2 Facility Fee representing the equivalent of Liquidity Subordinated Amounts payable under the Theatre (Hospitals) No. 2 Securitisation;
- (j) on a *pro rata* and *pari passu* basis in or towards payment to the Senior Lenders in payment of all accrued Repayment Instalments to be applied in the Senior Loan Pro Rata Order;
- (k) on a *pro rata* and *pari passu* basis in or towards payment to:
  - (i) the Senior Lenders of all accrued Additional Repayment Instalments to be applied in the Senior Loan Pro Rata Order; and
  - (ii) the Swap Term Loan Lenders of all accrued Swap Term Loan Additional Repayment Instalments;
- (l) on a *pro rata* and *pari passu* basis in or towards payment to the Senior Lenders in respect of Default Interest due and payable with respect to the Senior Loans to be applied in the Senior Loan Default Interest Sequential Order;
- (m) on a *pro rata* and *pari passu* basis in or towards payment to the Senior Lenders in respect of Unpaid Step-up Fees due and payable with respect to the Senior Loans to be applied in the Senior Loan Unpaid Step-Up Fees Sequential Order;
- (n) in or towards to the Tax Reserve Account an amount equal to the forecast aggregate tax liabilities of the Obligors, to the extent that funds already standing to the credit of the Tax Reserve Account do not cover such forecast tax liabilities and such tax liabilities where specific provision is made under the Tax Deed or the Effective Date Tax Deed;
- (o) on a *pro rata* and *pari passu* basis in or towards payment to the relevant New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) for any costs and expenses incurred by such Lenders in respect of any Control Valuation;
- (p) on a *pro rata* and *pari passu* basis in or towards payment to:
  - (i) the Senior Lenders of all accrued Repayment Instalment Shortfall Amounts to be applied in the Senior Loan Pro Rata Order; and
  - (ii) the Swap Term Loan Lenders of all accrued Swap Term Loan Repayment Instalment Shortfall Amounts;
- (q) on a *pro rata* and *pari passu* basis in or towards payment to:
  - (i) the relevant New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) in payment of any additional principal added to the New Money Loan by means of their exercise of a Cure Right (other than those described in (s)(i) below); and
  - (ii) the New Money Lenders to pay accrued interest on the New Money Loans (which do not represent any principal amount added to the New Money Loans by virtue of a Cure Payment);
- (r) in an amount equal to Surplus Cashflow on a *pro rata* and *pari passu* basis in or towards payment to:
  - (i) the Senior Lenders in prepayment of the Senior Loans in the Senior Loan Sequential Order; and
  - (ii) the Swap Term Loan Lenders in prepayment of the Swap Term Loans;

- (s) on a *pro rata* and *pari passu* basis in or towards payment to:
  - (i) the relevant New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) in payment of any additional principal added to the New Money Loans by means of their exercise of a Cure Right with respect to a Payment Default, a Swap Term Loan Payment Default, a Ratio Event of Default and a Tenant Payment Event of Default; and
  - (ii) the relevant New Money Lender(s), Deficiency Claim Holders, Junior A Lender(s) or Junior B Lender(s) in payment of all unpaid fees, costs and expenses (including VAT) due to such Lenders or Deficiency Claim Holders under the Finance Documents;
- (t) on a *pro rata* and *pari passu* basis in or towards payment to the New Money Lenders in prepayment of the New Money Loans and the Deficiency Claim Holders in prepayment of the Deficiency Claims;
- (u) on a *pro rata* and *pari passu* basis in or towards payment to the Junior A Lenders in prepayment of the Junior A Loans;
- (v) on a *pro rata* and *pari passu* basis in or towards payment to the Junior B Lenders in prepayment of the Junior B Loans; and
- (w) any excess to the Borrowers.

Post-Default Conditions Waterfall

Whilst the Post-Default Conditions are in effect and subject to any Senior Loan Reallocation, the Facility Agent and/or the Borrower Security Trustee will on each Loan Interest Payment Date (or such other date as they may determine) withdraw all amounts standing to the credit of the Control Accounts from time to time and apply such amounts (and all other amounts recovered or received under the Finance Documents, the Swap Term Loan Finance Documents or upon the enforcement of any Transaction Security) in the following order of priority (the “**Post-Default Conditions Waterfall**”):

- (a) on a *pro rata* and *pari passu* basis in or towards payment:
  - (i) of any unpaid rent due under any Superior Lease not otherwise paid or to be paid out of service charge proceeds;
  - (ii) on the Restructuring Effective Date, if the Restructuring Effective Date is a Loan Interest Payment Date, the Superior Lease Reserve Account in an amount equal to £150,000 and on each Loan Interest Payment Date thereafter in amounts to ensure that the balance standing to the credit of the Superior Lease Reserve Account on each Loan Interest Payment Date is £150,000;
  - (iii) to the Operating Expenditure Account an amount equal to the essential operating costs for the forthcoming quarter as set out in the Budget;
  - (iv) to the Operating Expenditure Account an amount equal to the non-essential operating costs for the forthcoming quarter as set out in the Budget (which may be reduced (including to zero) as the Master Servicer may determine);
  - (v) of amounts due and payable to the directors of the Holdcos pursuant to the Holdco Indemnity Letter; and
  - (vi) payment of the fee due to the Rent Counterparty pursuant to the RPI Fee Letter;
- (b) on a *pro rata* and *pari passu* basis in or towards payment of unpaid fees, costs and expenses incurred by the Agents, the Master Servicer, the Special Servicer, the Senior Creditors (including the Master Servicer and the Special Servicer and payment of the Theatre 1 Facility Fees, the Theatre 2 Facility Fees and the Minority Senior Lender Facility Fee (other than any amounts representing Liquidity Subordinated Amounts and the Theatre (Hospitals) No. 2 Securitisation equivalent of Liquidity Subordinated Amounts)) and the Swap Term Loan Creditors under the Finance Documents and the Swap Term Loan Finance Documents;
- (c) (subject to an instruction from the Majority Senior Lenders not to do so) in or towards payment to the Contingency Reserve Account to ensure that the balance standing to the credit of the Contingency Reserve Account on such Loan Interest Payment Date is £50,000;
- (d) on a *pro rata* and *pari passu* basis in or towards payment to:

- (i) the New Hedge Counterparties for amounts due and payable under the Finance Documents (including Default Interest); and
  - (ii) the Swap Term Loan Lenders for all amounts due and payable under the Swap Term Loan Facility Agreement including the Swap Term Loan Repayment Instalments, but excluding those amounts payable under paragraphs (i)(ii), (l)(ii) and (m)(ii) below unless the Swap Term Loans have been accelerated in full;
- (e) on a *pro rata* and *pari passu* basis in payment to the Senior Lenders:
- (i) in respect of interest (excluding Default Interest) accrued on the Senior Loans following the Restructuring Effective Date (including those amounts described in “- *Restated Propco Facility Agreement – Pre-Effective Date Interest and Senior Loan Interest Catch-up*”); and
  - (ii) in respect of interest that has accrued pursuant to the terms of the Propco Facility Agreement in effect immediately prior to the Effective Date from the Loan Interest Payment Date immediately prior to the Restructuring Effective Date to the Restructuring Effective Date,
- to be applied in the Senior Loan Interest Sequential Order;
- (f) on a *pro rata* and *pari passu* basis in or towards payment to:
- (i) the Issuer of that part of the Theatre 1 Facility Fee representing Liquidity Subordinated Amounts; and
  - (ii) to Theatre (Hospitals) No. 2 of that part of the Theatre 2 Facility Fee representing the equivalent of Liquidity Subordinated Amounts under the Theatre (Hospitals) No. 2 Securitisation;
- (g) on a *pro rata* and *pari passu* basis in payment to the relevant New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) for any costs and expenses incurred by such Lenders in respect of any Control Valuation;
- (h) on a *pro rata* and *pari passu* basis in payment to the Senior Lenders in payment of all accrued Repayment Instalments to be applied in the Senior Loan Sequential Order;
- (i) on a *pro rata* and *pari passu* basis in payment to:
- (i) the Senior Lenders of all accrued Additional Repayment Instalments to be applied in the Senior Loan Sequential Order; and
  - (ii) other than where the Swap Term Loans have been accelerated in full, the Swap Term Loan Lenders of all accrued Swap Term Loan Additional Repayment Instalments;
- (j) on a *pro rata* and *pari passu* basis in payment to the Senior Lenders in respect of Default Interest due and payable with respect to the Senior Loans to be applied in the Senior Loan Default Interest Sequential Order;
- (k) on a *pro rata* and *pari passu* basis in payment to the Senior Lenders in respect of Unpaid Step-up Fees due and payable with respect to the Senior Loans to be applied in the Senior Loan Unpaid Step-Up Fees Sequential Order;
- (l) on a *pro rata* and *pari passu* basis in payment to:
- (i) the Senior Lenders of all accrued Repayment Instalments Shortfall Amounts to be applied in the Senior Loan Sequential Order; and
  - (ii) other than where the Swap Term Loans have been accelerated in full, the Swap Term Loan Lenders of all accrued Swap Term Loan Repayment Instalments Shortfall Amounts;
- (m) in an amount equal to Surplus Cashflow on a *pro rata* and *pari passu* basis in payment to:
- (i) the Senior Lenders in prepayment of the Senior Debt to be applied in the Senior Loan Sequential Order; and
  - (ii) other than where the Swap Term Loans have been accelerated in full, the Swap Term Loan Lenders in payment of the Swap Term Loan Debt;

- (n) on a *pro rata* and *pari passu* basis in payment to the New Hedge Counterparties of any amounts due as a result of a termination of the relevant New Hedge Transactions arising from (i) an event of default of a New Hedge Counterparty; (ii) a tax event occurring with respect of which that New Hedge Counterparty is the sole affected party; or (iii) a ratings downgrade of a New Hedge Counterparty resulting in the termination of the relevant New Hedge Transaction;
- (o) on a *pro rata* and *pari passu* basis in payment to (i) the relevant New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) in payment of any additional principal added to the New Money Loan by means of an exercise of a Cure Right; and (ii) to the New Money Lenders with respect to accrued interest (including Default Interest) due but unpaid on the New Money Loans;
- (p) on a *pro rata* and *pari passu* basis, in payment of the New Money Debt and the Deficiency Claim Debt;
- (q) on a *pro rata* and *pari passu* basis in payment of any accrued interest (including Default Interest) due but unpaid to the Junior A Lenders;
- (r) on a *pro rata* and *pari passu* basis in payment of the Junior A Debt;
- (s) on a *pro rata* and *pari passu* basis in payment of the Junior B Debt; and
- (t) any excess to the Borrowers.

Where a Note Enforcement Notice has been delivered with respect to the Notes, any payment to be made in accordance with the Post-Default Conditions Waterfall to the Issuer or with respect to the MSL 1 Loans shall, rather than be applied as set out in the Post-Default Conditions Waterfall, instead be applied pursuant to a revised waterfall to reflect the Issuer Post Enforcement Priority of Payment. Similarly if an equivalent notice is delivered with respect to the Theatre (Hospitals) No.2 Notes any payment to be made in accordance with the Post-Default Conditions Waterfall to Theatre (Hospitals) No.2 or with respect to the MSL 2 Loans shall, rather than be applied as set out in the Post-Default Conditions Waterfall, instead be applied to the Theatre 2 Loans and the MSL 2 Loans in a manner that reflects the equivalent post-enforcement priority of payments under the Theatre (Hospitals) No. 2 Securitisation.

Adjustment of Repayment Instalments

If on any of the three Loan Interest Payment Dates following the Restructuring Effective Date (or, if the Restructuring Effective Date is a Loan Interest Payment Date, the Restructuring Effective Date and the two Loan Interest Payment Dates thereafter) the payment of the funds available in the Rental Income Account would, as a result of paying the costs of negotiating and implementing the Restructuring, be insufficient to prevent a Payment Default or a Swap Term Loan Payment Default occurring if such funds were applied on that Loan Interest Payment Date (the difference between the amount of funds available and the amount required to prevent a Payment Default and/or a Swap Term Loan Payment Default on that Loan Interest Payment Date being the “**Payment Shortfall Amount**”), the scheduled amortisation payable under the amended and restated Propco Facility Agreement and the Swap Term Loan Facility Agreement shall be reduced as follows:

- (a) *first*, the Additional Repayment Instalments and the Swap Term Loan Additional Repayment Instalments will be reduced on a *pro rata* and *pari passu* basis by an amount equal to the Payment Shortfall Amount (but shall not be reduced to less than zero); and
- (b) *second*, if the Additional Repayment Instalments and the Swap Term Loan Additional Repayment Instalments are reduced to zero and any amount of the Payment Shortfall Amount remains outstanding, the Repayment Instalments and the Swap Term Loan Repayment Instalments will be reduced on a *pro rata* and *pari passu* basis by an amount equal to the remaining Payment Shortfall Amount (provided that any such reduction shall not reduce such payments to less than zero),

(the amount by which the Additional Repayment Instalments and the Repayment Instalments are reduced, the “**Repayment Instalment Shortfall Amounts**” and the amount by which the Swap Term Loan Additional Repayment Instalments and the Swap Term Loan Repayment Instalments are reduced, the “**Swap Term Loan Repayment Instalments Shortfall Amounts**”).

The reductions described above shall only occur if the Facility Agent determines on that Loan Interest Payment Date that, were it not for the requirement to pay the costs of negotiating and implementing the

Restructuring, no Payment Default or Swap Term Loan Payment Default would occur based on the funds available in the Rental Income Account on that Loan Interest Payment Date.

Reallocation of Principal

If:

- (a) a Category C Event of Default has occurred and is continuing; or
- (b)
  - (i) a Loan Event of Default has occurred and is continuing as a result of a breach of the financial covenants described in “- Restated Propco Facility Agreement – Undertakings – Financial Covenants”; and
  - (ii)
    - A. the ratio of (x) the aggregate of the Swap Term Loan Debt and mark-to-market under the New Hedge Documents to (y) the valuation of the Properties, is greater than 50 per cent.; and
    - B. the Majority Senior Lenders are the Enforcement Instructing Group,

for so long as the Facility Agent has issued a notice under the Restated Propco Facility Agreement that all or part of the Loans are immediately due and payable, all principal payments and Rental Income which would otherwise be applied in repayment of the principal amount of the Senior Loans will instead be paid *pro rata* and *pari passu* to the Swap Term Loan Lenders (to prepay the Swap Term Loans) and the New Hedge Counterparties (to first pay the Hedge Prepayment Termination Amount associated with the prepayment of the Swap Term Loans and secondly to reduce the fixed rate payable under the New Hedge Documents on terms to be agreed by the New Hedge Counterparties and the Obligors’ Agent (or if terms cannot be agreed on such basis as the relevant New Hedge Counterparty determines in good faith).

New Money Loan Refinancing

The New Money Lenders may, prior to the Senior Debt Discharge Date, refinance the New Money Loans and the Deficiency Claims, provided that, *inter alia*, the cash interest payable on the New Money Loans following that refinancing is less than the cash interest payable on the New Money Loans as at the date of the refinancing. The New Money Lenders may exercise the option to refinance the New Money Loans and the Deficiency Claims on such basis only once prior to the Senior Debt Discharge Date.

Cure Rights

If a Loan Event of Default (other than an Insolvency Event of Default) has occurred and is continuing or an event of default (other than an insolvency related event of default) has occurred and is continuing under the Swap Term Loan Facility Agreement, which in both cases are capable of remedy (a “**Remediable Default**” and a “**Swap Term Loan Remediable Default**” respectively), the New Money Lenders, Junior A Lenders or Junior B Lenders may (but are not obliged to) exercise their right to take any action they consider desirable to remedy or cure such default (the “**Cure Rights**”) including by making a payment on behalf of an Obligor. The Borrowers may only prepay the Senior Loans and/or the Swap Term Loans to cure a financial covenant default (see “*Restated Propco Facility Agreement – Undertakings – Financial Covenants*” above) if none of the New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) have provided a notice of their intention to exercise a Cure Right. In no circumstances may any Borrower, New Money Lender, Junior A Lender or Junior B Lender cure a breach of a financial covenant through placing money on deposit or providing further security or assets, but instead shall be required to prepay the Senior Loans and/or Swap Term Loans as necessary to remedy the Remediable Default or Swap Term Loan Remediable Default as applicable.

Any Cure Right exercised to remedy a Payment Default or a Swap Term Loan Payment Default caused by a Tenant Payment Event of Default shall also be deemed to have cured the related Tenant Payment Event of Default, provided that the amount applied in curing the Payment Default or, as applicable, Swap Term Loan Payment Default is at least equal to the amount of rent unpaid by the relevant Approved Tenant or Opco under a Principal Lease.

No Cure Right may be exercised on more than six occasions from the Restructuring Effective Date or during more than two consecutive Loan Interest Periods. However, there shall be no limitation on the number of times, and no constraints in relation to consecutive Loan Interest Periods that any New Money

Lender, Junior A Lender or Junior B Lender may exercise Cure Rights with respect to a Loan Event of Default caused by a Tenant failing to pay rent under a Principal Lease.

The amount of any money advance by a New Money Lender, Junior A Lender or Junior B Lender shall be treated as an additional amount of the New Money Loans owing to such curing Lender. Any cash interest accruing at the New Money Cash Rate on such additional amount of the New Money Loans shall not be paid in cash, but shall instead automatically be capitalised. No further cash interest shall accrue on such capitalised interest.

Exercise of a Cure Right

Upon the occurrence of a Remediable Default or a Swap Term Loan Remediable Default, the Facility Agent will promptly notify New Money Lenders, the Junior A Lenders and the Junior B Lenders of Remediable Default or a Swap Term Loan Remediable Default.

If any New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) wishes to exercise a Cure Right they must notify the Facility Agent within 5 Loan Business Days (the “**Cure Right Notice Period**”) of (i) the receipt of notice from the Facility Agent of the occurrence of a Remediable Default or a Swap Term Loan Remediable Default; or (ii) with respect to any Payment Default and/or any Swap Term Loan Payment Default, the delivery to the Finance Parties and the Swap Term Loan Finance Parties by the Facility Agent that the correct amount of anticipated funds has not been received into the correct account when due.

If any New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) notifies the Facility Agent it wishes to exercise a Cure Right within the Cure Right Notice Period, such New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) must cure that Remediable Default or Swap Term Loan Remediable Default within 20 Loan Business Days (the “**Cure Right Exercise Period**”) of (i) the receipt of notice from the Facility Agent of the occurrence of a Remediable Default or a Swap Term Loan Remediable Default; or (ii) with respect to any Payment Default and/or any Swap Term Loan Payment Default, the delivery to the Finance Parties and the Swap Term Loan Finance Parties by the Facility Agent that the correct amount of anticipated funds has not been received into the correct account when due (provided that in both cases such period may be reduced, but not increased, with respect to any Category D Event of Default or Category E Event of Default and Noteholders are advised to review the more detailed provisions of the Restated Intercreditor Agreement available for inspection as set out in “*Additional Information – Documents available for inspection by Noteholders*” in such respect).

If any New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) notifies the Facility Agent it wishes to exercise a Cure Right within the Cure Right Notice Period, but fails to cure the Remediable Default or Swap Term Loan Remediable Default within the Cure Right Exercise Period, the 20 Loan Business Day period for the Cure Right Exercise Period shall be reduced to 5 Loan Business Days with respect to all future Remediable Defaults and Swap Term Loan Remediable Defaults.

Cure Period – Enforcement Action Standstill

Following the occurrence of a Remediable Default, Enforcement Action may not be commenced by the Enforcement Instructing Group until the expiry of the applicable Cure Period.

“**Cure Period**” means:

- (a) in respect of a Remediable Default or a Swap Term Loan Remediable Default (other than a Historic Year 1 Event of Default):
  - (i) the Cure Right Notice Period; or
  - (ii) if any New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) notifies the Facility Agent it wishes to exercise a Cure Right within the Cure Right Notice Period, the Cure Right Exercise Period (as reduced to 5 Loan Business Days as applicable); or
- (b) in respect of a Historic Year 1 Event of Default, the period (the “**Year 1 Cure Period**”) from the date of the occurrence of the Historic Year 1 Event of Default to the earlier of:
  - (i) the later of (A) 60 days; (B) the next Loan Interest Payment Date, in each case from the later of the date on which the Historic Year 1 Event of Default (x) occurs; or (y) is discovered to exist; and
  - (ii) the first anniversary of the Restructuring Effective Date.

Option to Purchase

If an Option Event is continuing, any New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) may elect to purchase all (but not part) of the Prior Ranking Claims.

“**Option Event**” means:

- (a) the occurrence of a Material Default;
- (b) the commencement of any Enforcement Action; or
- (c) the date that is 6 months prior to the Restructured Loan Final Maturity Date.

“**Prior Ranking Claims**” means:

- (a) with respect to the New Money Lenders and the Deficiency Claim Holders, the aggregate of the Swap Term Loan Debt and the Senior Debt;
- (b) with respect to the Junior A Lenders, the aggregate of the Swap Term Loan Debt, the Senior Debt, the Deficiency Claim Debt and the New Money Debt; and
- (c) with respect to the Junior B Lenders, the aggregate of the Swap Term Loan Debt, the Senior Debt, the New Money Debt, the Deficiency Claim Debt and the Junior A Debt.

If any New Money Lender(s) has provided a notice (a “**Purchase Notice**”) that it wishes to exercise the option to purchase all Prior Ranking Claims (the “**Purchase Option**”), the New Money Lender(s) will have the sole right to exercise the Purchase Option. If no New Money Lender(s) has provided a Purchase Notice, and any Junior A Lender(s) has provided a Purchase Notice, the Junior A Lender(s) will have the sole right to exercise the Purchase Option. If no Junior A Lender(s) has provided a Purchase Notice, any of the Junior B Lenders may exercise the Purchase Option.

The purchase price for the Prior Ranking Claims will be calculated by the Facility Agent as the aggregate of (i) the principal amount of the Prior Ranking Claims; (ii) accrued but unpaid interest at the date of purchase; (iii) an amount equal to the termination amounts under the New Hedge Documents payable to the New Hedge Counterparties; (iv) all costs and expenses of the creditors to the Prior Ranking Claims; (v) all other amounts payable to the creditors to the Prior Ranking Claims (including the winding up costs of the Issuer and all amounts payable to the Master Servicer, the Special Servicer or the Liquidity Facility Provider) and the equivalent amounts with respect to the Theatre (Hospitals) No. 2 Securitisation; (vi) any break costs of the Senior Lenders and the Swap Term Loan Lenders; (vii) all amounts required to be paid by the Issuer to the Noteholders and the equivalent with respect to the Theatre (Hospitals) No. 2 Securitisation; and (viii) if the Purchase Option was exercised after the commencement of Enforcement Action, the costs and expenses of the Borrower Security Trustee. In such circumstances, the Issuer as a Senior Lender will be under an obligation to sell its Senior Loans on such terms and the Notes will be repayable in full.

#### Option to Repay

If an Option Event is continuing, any New Money Lender(s), Junior A Lender(s) or Junior B Lender(s) will have the right to repay the Prior Ranking Claims. If any New Money Lender(s) has provided a notice (a “**Repayment Notice**”) that it wishes to exercise the option to repay the Prior Ranking Claims (the “**Option to Repay**”), the New Money Lender(s) will have the sole right to exercise the Option to Repay. If no New Money Lender(s) has provided a Repayment Notice, and any Junior A Lender(s) has provided a Repayment Notice, the Junior A Lender(s) will have the sole right to exercise the Option to Repay. If no Junior A Lender(s) has provided a Repayment Notice, any of the Junior B Lenders may exercise the Option to Repay.

In exercising an Option to Repay, the amount to be repaid will be calculated by the Facility Agent as the aggregate of (i) the principal amount of the Prior Ranking Claims; (ii) accrued but unpaid interest at the date of purchase; (iii) an amount equal to the termination amount under the New Hedge Documents payable to the New Hedge Counterparties; (iv) all costs and expenses of the creditors to the Prior Ranking Claims; (v) all other amounts payable to the creditors to the Prior Ranking Claims (including the winding up costs of the Issuer and all amounts payable to the Master Servicer, the Special Servicer or the Liquidity Facility Provider and the equivalent amounts with respect to the Theatre (Hospitals) No. 2 Securitisation); (vi) any break costs of the Senior Lenders and the Swap Term Loan Lenders; (vii) all amounts required to be paid by the Issuer to the Noteholders and the equivalent with respect to the Theatre (Hospitals) No. 2 Securitisation; and (viii) if the Purchase Option was exercised after the commencement of Enforcement Action, the costs and expenses of the Borrower Security Trustee. In such circumstances, the Senior Loans held by the Issuer will be repaid in full and, accordingly, the Notes will be repayable in full.

### Enforcement Action

#### Enforcement Instructions

The Facility Agent and the Borrower Security Trustee shall be required to take Enforcement Action as directed by the Enforcement Instructing Group. No Lender(s) or group of Lenders may take or instigate Enforcement Action except as part of the Enforcement Instructing Group. No Deficiency Claim Holder, Junior B Lender, Swap Term Loan Lender or New Hedge Counterparty may instruct Enforcement Action or form part of the Enforcement Instructing Group.

#### Acceleration of the Swap Term Loans

The Swap Term Loan Lenders may only instruct the STL Facility Agent to accelerate the Swap Term Loan Debt if:

- (a) the Propco Loans have been accelerated;
- (b) an early termination date occurs under the New Hedge Documents where such termination is permitted under the Propco Facility Agreement and the Swap Term Loan Facility Agreement to terminate all, but not part, of the New Hedge Transactions under the New Hedge Documents;
- (c) a Swap Term Loan Payment Default has occurred un-waived and un-remedied for 10 Loan Business Days; or
- (d) a Rent Reduction Event occurs.

The Swap Term Loans shall be automatically accelerated upon the termination of all, but not part, of the New Hedge Transactions under the New Hedge Documents.

#### Restrictions on Enforcement Action

At any time prior to the Senior Debt Discharge Date, where the Enforcement Instructing Group is not the Majority Senior Lenders, Enforcement Action may not, without the consent of the Majority Lenders, consist of certain actions including:

- (a) the appointment of any administrator, receiver or liquidator to any Obligor or the commencement of an administration, liquidation, receivership or winding-up of any Obligor;
- (b) any permanent standstill or suspension of payments with any Obligor that cannot be terminated by the Majority Senior Lenders upon becoming the Enforcement Instructing Group; and
- (c) the appointment of any agent or adviser to the Enforcement Instructing Group whose appointment cannot be terminated by the Majority Senior Lenders upon their becoming the Enforcement Instructing Group

#### Categorisation of Loan Event of Default

The Restated Intercreditor Agreement shall divide the Loan Events of Default into five categories.

Post Restructuring Effective Date Loan Event of Default

“**Category A Events of Default**” in summary relate to any Loan Event of Default which has arisen from an Opco or a Tenant under a Principal Lease which is not Opco but whose identity has been approved by the Majority Senior Lenders (an “**Approved Tenant**”) failing to pay in full the rent payable under a Principal Lease, and by way of example shall consist of, *inter alia*:

- (a) a non-payment Loan Event of Default from (and excluding) 5 Loan Business Days after the date of non-payment that is caused solely and directly from an Approved Tenant or Opco failing to pay in full the rents payable under a Principal Lease;
- (b) a Tenant Payment Event of Default;
- (c) a Ratio Event of Default under the Restated Propco Facility Agreement; or
- (d) a Loan Event of Default occurring due to an Obligor being unable or declaring that it cannot pay its debts as they become due which (i) occurs on the Restructured Loan Final Maturity Date as a result of that Obligor’s failure to repay all amounts due under the Finance Documents and the Swap Term Loan Finance Documents; or (ii) is caused solely and directly from an Approved Tenant or Opco failing to pay in full the rents payable under a Principal Lease.

“**Category B Events of Default**” in summary relate to less material Loan Events of Default and by way of example shall consist of, *inter alia*:

- (a) a non-payment Loan Event of Default from the date of non-payment to (and including) 5 Loan Business Days thereafter;
- (b) a Loan Event of Default caused by the Obligors failing to provide a valuation required by the Restated Propco Facility Agreement or the Intercreditor Agreement provided that the Obligors have taken all reasonable steps to obtain access to the Properties and are in funds to take such reasonable steps and the failure is not caused by any action or omission of any Obligor; or
- (c) a Loan Event of Default caused a Borrower’s failure to repair and keep in good and substantial repair its Property where such failure does not continue on the first Loan Interest Payment Date following such Loan Event of Default.

“**Category C Events of Default**” in summary relate to more material Loan Event of Default which have arisen other than from an Approved Tenant or Opco failing to pay in full the rent payable under a Principal Lease, and by way of example shall consist of, *inter alia*:

- (a) a non-payment Loan Event of Default from (and excluding) 5 Loan Business Days after the date of non-payment that is caused by any reason other than an Approved Tenant or Opco failing to pay in full the rents payable under a Principal Lease when due;
- (b) a Loan Event of Default caused by an Obligor failing to comply with the negative pledge provisions of the Restated Propco Facility Agreement; and
- (c) a Loan Event of Default caused by a Borrower’s failure to repair and keep in good and substantial repair its Property where such failure is continuing on the first Loan Interest Payment Date following such Loan Event of Default.

Pre Restructuring Effective Date Loan Event of Default

“**Category D Events of Default**” shall consist of any Historic Year 1 Event of Default which, alone or together with any other Loan Events of Default occurring in the first year following the Restructuring Effective Date, does not result in (a) aggregate financial liabilities of the Obligors; and/or (b) a diminution in the value of the Properties or Transaction Security, which in aggregate exceed £100,000,000.

“**Category E Events of Default**” shall consist of any Historic Year 1 Event of Default which, alone or together with any other Loan Events of Default occurring in the first year following the Restructuring Effective Date, results in (a) the aggregate financial liabilities of the Obligors; and/or (b) a diminution in the value of the Properties or Transaction Security, which in aggregate exceed £100,000,000.

Any Category D Event of Default and Category E Event of Default may be cured during the Year 1 Cure Period.

If a Category D Event of Default is not cured within the Year 1 Cure Period it shall on the Loan Business Day following the first anniversary of the Restructuring Effective Date be re-categorised as a Category A Event of Default, Category B Event of Default or a Category C Event of Default, as applicable.

If a Category E Event of Default is not cured within the Year 1 Cure Period it shall on the expiry of the Year 1 Cure Period be re-categorised as a Category A Event of Default, Category B Event of Default or a Category C Event of Default, as applicable.

Control of Enforcement

The make-up of the “**Enforcement Instructing Group**” will be determined by the Facility Agent on the following basis:

- (a) following the occurrence of a Category A Event of Default (including any Category D Event of Default or Category E Event of Default that has been re-categorised as a Category A Event of Default), the Enforcement Instructing Group shall be:
  - (i) prior to the date that is 18 months after the date of the occurrence of the first Category A Event of Default:
    - A. if both:
      - (1) the Senior Loan to Value is less than 75 per cent.; and
      - (2) the New Money Loan to Value is less than 80 per cent.,

- the Majority Junior A Lenders;
    - B. if the Senior Loan to Value is less than 75 per cent., but paragraph (i)(A)(2) above is not satisfied, the Majority New Money Lenders; and
    - C. if the Senior Loan to Value is equal to or greater than 75 per cent., the Majority Senior Lenders ((A) to (C) being the “**Controlling Lenders**”).
  - (ii) on and following the date that is 18 months after the date of the occurrence of the first Category A Event of Default, the Majority Senior Lenders; and
  - (iii) notwithstanding (ii) above, following the occurrence of the Senior Debt Discharge Date, the Controlling Lenders.
- (b) following the occurrence of a Category B Event of Default (including any Category D Event of Default or Category E Event of Default that has been re-categorised as a Category B Event of Default) other than a Loan Event of Default related to the insolvency of a Tenant under a Principal Lease (a “**Tenant Insolvency Event of Default**”) or an Insolvency Event of Default caused by the inability to repay amounts outstanding under the Finance Documents and the Swap Term Loan Finance Documents at the Restructuring Loan Final Maturity Date (a “**Loan Final Maturity Date Insolvency Event of Default**”), the Enforcement Instructing Group shall be:
- (i) prior to the date that is 18 months after the commencement of Material Enforcement Action with respect to that Category B Event of Default, the Controlling Lenders; unless the Majority Senior Lenders are the Controlling Lenders and the Senior Loan to Value is less than:
    - A. 80 per cent. in the period from the Restructuring Effective Date up to (and including) the second anniversary of the Restructuring Effective Date, or
    - B. 75 per cent. after the second anniversary of the Restructuring Effective Date,
 in which case the Enforcement Instructing Group shall be the Majority Senior Lenders and the Majority New Money Lenders (voting separately);
  - (ii) on and following the date that is 18 months after Material Enforcement Action is first commenced with respect to that Category B Event of Default, the Majority Senior Lenders; and
  - (iii) notwithstanding (ii) above, following the occurrence of the Senior Debt Discharge Date, the Controlling Lenders;
- (c) following the occurrence of a Tenant Insolvency Event of Default (including any Category D Event of Default or Category E Event of Default that has been re-categorised), where there is no other Loan Event of Default which is continuing, the Enforcement Instructing Group shall be:
- (i) prior to the date that is 18 months after the commencement of Material Enforcement Action with respect to that Loan Event of Default, the Majority New Money Lenders;
  - (ii) on and following the date that is 18 months after the commencement of Material Enforcement Action with respect to that Loan Event of Default, the Majority Senior Lenders; and
  - (iii) notwithstanding (ii) above, following the occurrence of the Senior Debt Discharge Date, the Majority New Money Lenders;
- (d) following the occurrence of a Loan Final Maturity Date Insolvency Event of Default where there is no other Loan Event of Default which is continuing, the Enforcement Instructing Group shall be the Majority Junior A Lenders if they are the Controlling Lenders and otherwise the Majority New Money Lenders;
- (e) following the occurrence of a Category C Event of Default (including any Category D Event of Default or Category E Event of Default that has been re-categorised as a Category C Event of Default), the Enforcement Instructing Group shall be the Majority Senior Lenders; and
- (f) following the occurrence of a Category D Event of Default or a Category E Event of Default, but prior to such Category D Event of Default or Category E Event of Default being re-categorised,

the Enforcement Instructing Group shall be the Majority New Money Lenders and the Majority Junior A Lenders (voting separately).

The Facility Agent shall be required to determine which Lenders are the Enforcement Instructing Group:

- (a) on the occurrence of any Loan Event of Default;
- (b) within 5 Loan Business Days of any reasonable request to make such a determination from a group of Lenders provided that such group of Lenders may only make such request once in every Loan Interest Period; and
- (c) 5 Loan Business Days following the receipt of any Control Valuation.

#### Control Valuations

For the purposes of, *inter alia*, determining the Enforcement Instructing Group, each of the Majority Senior Lenders, the Majority New Money Lenders and the Majority Junior A Lenders may request that the Facility Agent instruct the Valuer to perform a valuation of each Borrower's interest in each Property (a "**Control Valuation**"). On receiving the request, the Facility Agent must promptly notify the Lenders and (if applicable) seek confirmation from the Majority Lenders that they approve the identity of the Valuer nominated to perform the Control Valuation.

#### Facility Agent as agent under the Swap Term Loan Facility Agreement

The Facility Agent will be appointed by the Swap Term Loan Lenders to perform the functions under the Swap Term Loan Finance Documents which are common to both the Swap Term Loan Finance Documents and the Finance Documents. No new successor to the Facility Agent may be appointed under the Restated Propco Facility Agreement, unless they are also appointed the Swap Term Loan Facility Agreement, and *vice versa*.

#### *The Minority Senior Lender Intercreditor Agreement*

Under the Restructuring the interrelation between the Securitised Loans and the MSL 1 Loans and MSL 2 Loans will be governed by the Restated Intercreditor Agreement. Therefore, the Minority Senior Lender Intercreditor Agreement shall be amended to contain only those provisions which relate to the Minority Senior Lenders rights with respect to the Notes, for example with respect to Qualifying Extraordinary Resolutions, and the equivalent rights under the Theatre (Hospitals) No. 2 Securitisation.

#### *Effective Date Tax Deed*

The Tax Deed will remain in place. To reflect the new equity holding structure see "*- Equity Transfer*" below a new tax deed (the "**Effective Date Tax Deed**") on similar terms will be entered into by the Obligors, Hospital Topco and the Borrower Security Trustee on the Restructuring Effective Date.

#### *RPI Swaps*

Following the Restructuring Effective Date, but prior to the Call Option Completion (see "*- Equity Transfer*" below), the Holdco RPI Swaps (as defined and described in the stock exchange announcement made by the Issuer on 18 June 2013) will be novated from the Holdcos to the Borrowers in accordance with, and pursuant to, the terms of the existing Finance Documents and the Rent Counterparty Hedge Documents.

#### *Equity Transfer*

On the day prior to the proposed Restructuring Effective Date the shares in the Obligors' Agent will be acquired by Hospital Midco S.á r.l. ("**Hospital Midco**") a new holding company, incorporated in Luxembourg. Simultaneously a call option over all of the shares in the Obligors' Agent will be granted by Hospital Midco to a Holdco. If the Restructuring does not complete on the proposed Restructuring Effective Date and is not subsequently completed by a date to be agreed then the call option will be exercised so that the Obligors' Agent returns to the same corporate group as the Borrowers, the Holdcos and the Parent.

On the Restructuring Effective Date a call option over all of the shares and assets of the Borrowers will be granted to Hospital Midco. It is anticipated that, promptly following the completion of the Restructuring, Hospital Midco will exercise the call option and all shares in the Borrowers will accordingly be transferred to Hospital Midco. Upon the completion of the exercise of the call option (the "**Call Option Completion**"), the Obligors' Agent and the Borrowers will all be solely held by Hospital Midco and the Parent and the Holdcos will be released from the Finance Documents, including, but not limited, to the

guarantee provide by the Holdcos under the Restated Propco Facility Agreement and any security that the Parent and the Holdcos provide in favour of the Finance Parties but shall not be released from the Subordination Agreement. Accordingly, following the Call Option Completion, Opco will no longer be part of the same corporate group as the Borrowers.

Hospital Midco will be wholly owned by Hospital Topco Limited, a newly established holding company registered in England and Wales (“**Hospital Topco**”). Hospital Topco will be wholly owned by certain of the Junior B Lenders. The rights of the shareholders as between themselves will be governed by a shareholders agreement (the “**Shareholders’ Agreement**”) which will, amongst other matters, regulate the voting and tax affairs of the new corporate group so as not to cause any materially adverse tax implications with respect to the Obligors. Any breach of the Shareholders’ Agreement which causes a material adverse effect to the Obligors or the interests of the Finance Parties under the Finance Documents shall be a Loan Event of Default.

#### *Security Documents*

The Security Documents secure, amongst other things, all of the obligations of the Borrowers pursuant to the Finance Documents. In order to provide the Swap Term Loan Finance Parties with the benefit of the same security as the Finance Parties, to the extent possible, new security will be taken on the Restructuring Effective Date, such that the Borrower Security Trustee will take, on substantially the same terms as the Security Documents in effect on the date of this Consent Solicitation Memorandum, second ranking security over the rights and assets over which it took a first ranking security on the Loan Closing Date. The existing Borrower Security will be confirmed by the Holdcos, the Obligors’ Agent and the Borrowers on the Restructuring Effective Date pursuant to a deed of confirmation. In addition to taking a second ranking charge over the existing Borrower Security, the Borrower Security Trustee will take security over all of the shares in Hospital Midco. Such security documents (the “**Effective Date Security Documents**”) shall consist of:

- (a) the deed of confirmation to be entered into on the Restructuring Effective Date between, amongst others, the Holdcos, the Obligors’ Agent and the Borrowers and the Borrower Security Trustee;
- (b) a fixed and floating charge debenture to be entered into on the Restructuring Effective Date by the Holdcos, the Obligors’ Agent and the Borrowers in favour of the Borrower Security Trustee (the “**Effective Date Debenture**”) and includes, where the context requires, any Effective Date Legal Charge granted pursuant to the Effective Date Debenture;
- (c) each legal charge to be entered into on the Restructuring Effective Date by a Borrower in favour of the Borrower Security Trustee which is supplemental to the Effective Date Debenture (each, an “**Effective Date Legal Charge**”);
- (d) in relation to each Property situated in Scotland, a Scots law standard security in the form required by the Facility Agent to be granted by each relevant Obligor in favour of the Borrower Security Trustee on the Restructuring Effective Date;
- (e) a Scots law deed of retrocession and assignation, in the form required by the Facility Agent, to be entered into by each relevant Borrower in favour of the Borrower Security Trustee in respect of any Principal Lease of any Property situation in Scotland;
- (f) a share pledge over the shares in Hospital Midco to be dated on or around the Restructuring Effective Date between Hospital Topco and the Borrower Security Trustee; and
- (g) a lightweight floating charge entered into or to be entered into on the Restructuring Effective Date by the Borrowers in favour of the Borrower Security Trustee.

#### *Valuation*

On 31 March 2015, DTZ Debenham Tie Leung Limited (“**DTZ**”) provided a valuation with respect to all Properties (other than the leasehold property known as The Priory Hospital) and on 23 November 2014 Colliers International Healthcare UK LLP (“**Colliers**”) provided a valuation with respect to the leasehold property known as The Priory Hospital to the Borrowers and the Facility Agent on behalf of the Finance

Parties. The combined valuation of the Properties as at 30 September 2014 as set out in such valuations was £1,654,485,000.<sup>1</sup>

The valuations will be updated by DTZ and Colliers prior to the Restructuring Effective Date on a desktop basis. Such update shall be the Effective Date Valuation.

### **Definitions**

For the purposes of this section “*Restructuring*” the following shall have the meanings defined below:

“**Agent**” means the Facility Agent, the STL Facility Agent and/or the Borrower Security Trustee, as the context may require.

“**Budget**” means:

- (a) in relation to the period beginning on the Restructuring Effective Date and ending on 15 April 2016, the budget for Hospital Topco and the Obligor’s delivered by the Obligor’s Agent to the Facility Agent on or about the Restructuring Effective Date as a Propco Facility Agreement Condition Precedent; or
- (b) thereafter, in relation to each financial year of Hospital Topco, the budget approved by the Majority Lenders pursuant to the terms of the Restated Propco Facility Agreement.

“**Consent**” means any (i) consent, (ii) approval, (iii) vote, (iv) direction, (v) instruction, (vi) release, (vii) waiver, (viii) confirmation, (ix) notification, (x) opinion, (xi) request, (xii) agreement or (xiii) amendment, under the Finance Documents and/or the Swap Term Loan Finance Documents.

“**Creditor**” means a Swap Term Loan Creditor, a Senior Creditor, a New Money Lender, a Deficiency Claim Holder and/or a Junior Lender.

“**Deficiency Claim Debt**” means all liabilities owing or accrued (whether or not payable) by the Obligor to the Deficiency Claim Holders (in their capacity as such) under or in connection with the Finance Documents.

“**Deficiency Claim Debt Discharge Date**” means the date on which all Deficiency Claim Debt has been unconditionally and irrevocably paid and discharged in full.

“**Enforcement Action**” means:

- (a) the acceleration of any liabilities or any declaration that any liabilities are prematurely due and payable or payable on demand as a result of a Loan Event of Default;
- (b) the taking of any steps to enforce or require the enforcement of any Transaction Security;
- (c) the making of any demand against any Obligor in relation to any guarantee, indemnity or other assurance against loss in respect of any liabilities or exercising any right to require any Obligor to acquire any liabilities (including exercising any put or call option against any Obligor for the redemption or purchase of any liabilities), but only to the extent that such demand is not satisfied or those liabilities are not satisfied;
- (d) the exercise of any right of set-off against any Obligor in respect of any liabilities upon or following a Loan Event of Default;

---

<sup>1</sup> Whilst Colliers have extended reliance to the Finance Parties, Colliers do not accept any reliance or liability to the recipients of this Consent Solicitation Memorandum for such valuation. Additionally, the Borrowers’ freehold and leasehold properties (other than the property known as the Priory Hospital, Birmingham) were valued on 31 March 2012 by external valuers, Jonathan Goode and Gavin Spreyer of DTZ. The DTZ valuations were in accordance with the requirements of the RICS Valuation - Professional Standards Global and UK Edition (March 2014). The DTZ valuation of each Property was on the basis of market value assuming the Property would be sold subject to the existing lease. The Properties were also valued on a number of special assumptions. The Properties were valued as individual assets and not as a portfolio. The values reported were determined through reference to comparable information on recent hospital investment transactions on arm’s length terms. DTZ has been responsible for the valuation of the properties in this instance only. DTZ confirms that in relation to DTZ’s preceding financial year, the total fee paid by the Obligor as a percentage of the total fee income of DTZ, was less than 5%. Any information regarding the DTZ valuation is being provided to the recipients of this Consent Solicitation Memorandum on a non-reliance basis and without liability.

- (e) the suing for, commencing or joining of any legal or arbitration proceedings against any Obligor to recover any liabilities;
- (f) the entering into of any composition, assignment or arrangement (including, without limitation, entering into any standstill, suspension of payments, moratorium of indebtedness or analogous procedure) with any Obligor; or
- (g) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration or reorganisation of any Obligor or any suspension of payments or moratorium of any indebtedness of any Obligor, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action:

- (i) the taking of any action falling within paragraphs (e) or (g) above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of any liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; and
- (ii) a New Hedge Counterparty exercising any right to terminate and close-out any transactions under any New Hedge Documents in accordance with the terms of the Restated Propco Facility Agreement and the Swap Term Loan Facility Agreement;
- (iii) a Finance Party or a Swap Term Loan Finance Party bringing legal proceedings against any person solely for the purpose of:
  - A. obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any Finance Document or Swap Term Loan Finance Document to which it is party;
  - B. obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages; or
  - C. requesting judicial interpretation of any provision of any Finance Document or Swap Term Loan Finance Document to which it is party with no claim for damages.

**“Facility Agent”** means Capita Asset Services (Ireland) Limited, which expression includes its successors as facility agent under the Restated Propco Facility Agreement.

**“Finance Document”** means, unless the context relates to the Finance Documents prior to the Restructuring Effective Date where it shall have the meaning given to it in the Prospectus, each of the Restated Propco Facility Agreement; the Propco Facility Agreement Amendment and Restatement Agreement, the Restated Intercreditor Agreement; the Intercreditor Amendment and Restatement Deed; the Intercreditor Agreement Amendment and Restatement Agreement, the Security Documents; the Subordination Agreement; each transfer certificate; each consent fee letter; any fee letter; any margin letter; each New Hedge Document; each utilisation request; each accession letter; the Indemnity Deed; the Effective Date Tax Deed; the Tax Deed and any other document designated as such by the Facility Agent and the Obligors’ Agent.

**“Finance Party”** means unless the context relates to the Finance Parties prior to the Restructuring Effective Date where it shall have the meaning given to it in the Prospectus, each of the Facility Agent, the Borrower Security Trustee, the mandated lead arrangers under the Restated Propco Facility Agreement, the New Hedge Counterparties, the Master Servicer, the Special Servicer, the Lenders and the Deficiency Claim Holders.

**“Hedge Prepayment Termination Amounts”** means all amounts due and payable to the New Hedge Counterparties as a result of any closing out or termination of all or any part of the New Hedge Documents as a result of any prepayment of the Swap Term Loans and/or the Senior Loans together with all amounts payable to the New Hedge Counterparties under the Swap Term Loan Finance Documents and the Finance Documents.

**“Historic Year 1 Event of Default”** means any Loan Event of Default (excluding any Insolvency Event of Default, Payment Default or Loan Event of Default caused by a breach of a representation regarding

the Borrowers title to the Properties) which occurs during the first year following the Restructuring Effective Date which is caused by circumstances, events or actions (including any defaults) existing before the Restructuring Effective Date.

“**Holdco Director**” means each director of the Holdcos that has the benefit of the indemnity letter (the “**Holdco Indemnity Letter**”) dated on or before the Restructuring Effective Date between Hospital Midco and the director of each Holdco as of the Restructuring Effective Date.

“**Insolvency Event of Default**” means an insolvency related Loan Event of Default under the Restated Propco Facility Agreement.

“**Intra-Group Debt**” means the liabilities owed by any Obligor or Hospital Topco to any Obligor or Hospital Topco in their capacity as intra-group lenders (the “**Intra-Group Lenders**”).

“**Junior A Debt**” means all liabilities owing or accrued (whether or not payable) by the Obligors to the Junior A Lenders (in their capacity as such) under or in connection with the Finance Documents.

“**Junior A Debt Discharge Date**” means the date on which all Junior A Debt has been unconditionally and irrevocably paid and discharged in full.

“**Junior B Debt**” means all liabilities owing or accrued (whether or not payable) by the Obligors to the Junior B Lenders (in their capacity as such) under or in connection with the Finance Documents.

“**Lender**” means each and any of the Senior Lenders, the New Money Lenders and the Junior Lenders.

“**Loan Business Day**” means a day, other than a Saturday or Sunday or a public holiday, on which commercial banks and foreign exchange markets settle payments and are open for general business in London and Dublin.

“**Majority Deficiency Claim Holders**” means Deficiency Claim Holders holding  $66\frac{2}{3}$  per cent. or more of the Deficiency Claims.

“**Majority Junior B Lenders**” means Junior B Lenders holding participations of  $66\frac{2}{3}$  per cent. or more in the Junior B Loans.

“**Majority New Money Lenders**” means New Money Lenders holding participations of  $66\frac{2}{3}$  per cent. or more in the New Money Loans.

“**Majority Swap Term Loan Lenders**” means Swap Term Loan Lenders holding participations of  $66\frac{2}{3}$  per cent. or more in the Swap Term Loans.

“**Material Default**” means:

- (a) a Payment Default;
- (b) a Ratio Event of Default; or
- (c) an Insolvency Event of Default.

“**Netcare**” means Netcare Limited a company incorporated under the laws of South Africa with company registration number 1996/008242/06.

“**Netcare Information**” means, (if published) the half-yearly interim results presentation made public by Netcare in respect of the Tenant Group or (if such results presentation is not so published) the unaudited half-yearly financial statements made public by Netcare and the annual results presentation made public by Netcare in respect of the Tenant Group or (if such results presentation is not so published) the audited financial statements made public by Netcare.

“**New Money Debt**” means all liabilities owing or accrued (whether or not payable) by the Obligors to the New Money Lenders (in their capacity as such) under or in connection with the Finance Documents together with, in the case of any New Money Lender, Junior A Lender and/or Junior B Lender which has made a Cure Payment, an amount equal to that Cure Payment.

“**New Money Debt Discharge Date**” means the date on which all New Money Debt has been unconditionally and irrevocably paid and discharged in full.

“**New Money Loan to Value**” means the aggregate sum of the Senior Ranking Amounts and the New Money Debt as a percentage of the aggregate market value or the Properties as set out in the most recent valuation.

“**Obligor**” means each of the Borrowers, Hospital Midco, the Obligor’s Agent, the Borrower Account Holder and, prior to the Call Option Completion, the Holdcos.

“**Occupational Lease**” means any present or future lease, underlease, sub-lease, licence, tenancy or right to occupy all or any part of a Property and any agreement or other contract for the grant of any of the foregoing to which a Borrower’s interest in a Property may be subject from time to time, including without limitation, a Principal Lease, but excluding any Superior Lease.

“**Opc**” means BMI Healthcare Limited, a limited liability company registered in England and Wales with registration number 02164270.

“**Original Obligor**” means each of the Borrowers, each Holdco, the Obligor’s Agent and the Borrower Account Holder.

“**Payment Default**” means a Loan Event of Default caused by the non-payment by the Obligor of amounts due and payable under the Finance Documents or the RPI Fee Letter.

“**Post-Default Conditions**” are in effect when:

- (a) a Material In Value Default has occurred and is continuing;
- (b) a Tenant Insolvency Event of Default (which is not also a Material In Value Default) is continuing and has been continuing for a period of 12 months or more; or
- (c) Material Enforcement Action has been commenced.

“**Pre-Default Conditions**” are in effect at any time when none of the Post-Default Conditions is in effect.

“**Principal Lease**” means each lease of all or part of a Property between: (i) a Borrower (as landlord) and Opc (or any successor Tenant) in the form in effect as at the Restructuring Effective Date or otherwise in form and substance approved by the Facility Agent (acting on the instructions of the Majority Lenders, acting reasonably); or (ii) a Borrower (as landlord) and a Tenant of that Property as permitted pursuant to the terms of the Finance Documents and, prior to the Swap Term Loan Debt Discharge Date, the Swap Term Loan Finance Documents.

“**Priority Majority Lenders**” means:

- (a) prior to the Senior Debt Discharge Date, the Majority Senior Lenders;
- (b) following the Senior Debt Discharge Date, but prior to the date the New Money Debt Discharge Date, the Majority New Money Lenders;
- (c) following the New Money Debt Discharge Date, but prior to the Junior A Debt Discharge Date, the Majority Junior A Lenders; and
- (d) following the date the Junior A Debt Discharge Date, the Majority Junior B Lenders.

“**Ratio Event of Default**” means a Loan Event of Default caused by a breach of the Senior Loan to Value and the Total Interest Cover Ratio financial covenants contained in the Restated Propco Facility Agreement or an equivalent event of default under the Swap Term Loan Facility Agreement.

“**Rental Income**” means the aggregate of all sums paid or payable to or for the benefit of any Obligor arising from the letting, use or occupation of all or any part of any Property other than any Permitted Rent Reduction Transaction Proceeds.

“**Rent Counterparty**” means Barclays Bank PLC or any successor entity or transferee as counterparty under the Rent Counterparty Hedge Documents.

“**Rent Counterparty Hedge Documents**” means the hedge documents related to the hedging of the Obligor’s exposure to the UK retail price index arising in respect of the Rental Income receivable under a Principal Lease.

“**RPI Fee Letter**” means the fee letter to be entered into on the Restructuring Effective Date between the Rent Counterparty, the Obligor’s Agent and the Facility Agent.

“**Security Documents**” means:

- (a) the Effective Date Security Documents;
- (b) the share charge dated 9 October 2006 entered into by the Parent over its shares in the in the Holdcos in favour of the Borrower Security Trustee;

- (c) the fixed and floating charge debenture (the “**Debenture**”) dated 9 October 2006 by, among others, the Borrowers in favour of the Borrower Security Trustee (or its security trustee) and includes, where the context requires, any Legal Charge granted pursuant to the Debenture;
- (d) each legal charge entered into by an Original Obligor in favour of the Borrower Security Trustee which is supplemental to the Debenture (each, a “**Legal Charge**”);
- (e) in relation to any Property situated in Scotland, each Scots law standard security dated 9 October 2006 granted by each relevant Borrower in favour of the Borrower Security Trustee;
- (f) the lightweight floating charge dated 11 May 2007 entered into for the purposes of the issuance of Notes by the Issuer and the issuance of Notes by Theatre (Hospitals) No.2 between the Borrowers and the Borrower Security Trustee;
- (g) the share charge dated 9 October 2006 between the Parent, the Holdcos and the Borrower Security Trustee; and
- (h) any other document designated as such by the Facility Agent and the Obligors’ Agent.

“**Senior Creditor**” means a Senior Lender, a New Hedge Counterparty or (unless the context otherwise requires) the Facility Agent or the Borrower Security Trustee.

“**Senior Debt**” means all liabilities owing or accrued (whether or not payable) by the Obligors to the Senior Creditors (in their capacity as such) under or in connection with the Finance Documents.

“**Senior Loan Default Interest Sequential Order**” means the application of the relevant amounts first on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on: (i) the Theatre 1 Loans (the amount being applied to the Theatre 1 Loans being the “**TH1 Default Interest Sequential Amount**”), (ii) the Theatre 2 Loans (the amount being applied to the Theatre 2 Loans being the “**TH2 Default Interest Sequential Amount**”), and (iii) the Minority Senior Loans (the amount being applied to the Minority Senior Loans being the “**MSL Default Interest Sequential Amount**”), and then subsequently:

- (a) in applying the TH1 Default Interest Sequential Amount to the Theatre 1 Loans:
  - (i) *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 1A Loans to the Theatre 1A Lenders;
  - (ii) *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 1B Loans to the Theatre 1B Lenders;
  - (iii) *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 1C Loans to the Theatre 1C Lenders; and
  - (iv) *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 1D Loans to the Theatre 1D Lenders,
- (b) in applying the TH2 Default Interest Sequential Amount to the Theatre 2 Loans:
  - (i) *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 2A Loans to the Theatre 2A Lenders;
  - (ii) *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 2B Loans to the Theatre 2B Lenders;
  - (iii) *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 2C Loans to the Theatre 2C Lenders; and
  - (iv) *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the Theatre 2D Loans to the Theatre 2D Lenders,
- (c) in applying the MSL Default Interest Sequential Amount to the Minority Senior Loans, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on: (i) the MSL 1 Loans (the amount being applied to the MSL 1 Loans being the “**MSL 1 Default Interest Sequential Amount**”) and (ii) the MSL 2 Loans (the amount being applied to the MSL 2 Loans being the “**MSL 2 Default Interest Sequential Amount**”) and then subsequently:
  - (i) in applying the MSL 1 Default Interest Sequential Amount to the MSL 1 Loans:

- A. *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 1A Loans to the MSL 1A Lenders;
  - B. *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 1B Loans to the MSL 1B Lenders;
  - C. *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 1C Loans to the MSL 1C Lenders; and
  - D. *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 1D Loans to the MSL 1D Lenders; and
- (ii) in applying the MSL 2 Default Interest Sequential Amount to the MSL 2 Loans:
- A. *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 2A Loans to the MSL 2A Lenders;
  - B. *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 2B Loans to the MSL 2B Lenders;
  - C. *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 2C Loans to the MSL 2C Lenders; and
  - D. *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid Default Interest on the MSL 2D Loans to the MSL 2D Lenders.

“**Senior Loan Interest Sequential Order**” means the application of the relevant amounts first on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on: (i) the Theatre 1 Loans (the amount being applied to the Theatre 1 Loans being the “**TH1 Interest Sequential Amount**”), (ii) the Theatre 2 Loans (the amount being applied to the Theatre 2 Loans being the “**TH2 Interest Sequential Amount**”), and (iii) the Minority Senior Loans (the amount being applied to the Minority Senior Loans being the “**MSL Interest Sequential Amount**”), and then subsequently:

- (a) in applying the TH1 Interest Sequential Amount to the Theatre 1 Loans:
- (i) *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 1A Loans to the Theatre 1A Lenders;
  - (ii) *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 1B Loans to the Theatre 1B Lenders;
  - (iii) *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 1C Loans to the Theatre 1C Lenders; and
  - (iv) *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 1D Loans to the Theatre 1D Lenders,
- (b) in applying the TH2 Interest Sequential Amount to the Theatre 2 Loans:
- (i) *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 2A Loans to the Theatre 2A Lenders;
  - (ii) *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 2B Loans to the Theatre 2B Lenders;
  - (iii) *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 2C Loans to the Theatre 2C Lenders; and
  - (iv) *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the Theatre 2D Loans to the Theatre 2D Lenders,

- (c) in applying the MSL Interest Sequential Amount to the Minority Senior Loans, on a pro rata and pari passu basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on: (i) the MSL 1 Loans (the amount being applied to the MSL 1 Loans being the “**MSL 1 Interest Sequential Amount**”) and (ii) the MSL 2 Loans (the amount being applied to the MSL 2 Loans being the “**MSL 2 Interest Sequential Amount**”) and then subsequently:
- (i) in applying the MSL 1 Interest Sequential Amount to the MSL 1 Loans:
- A. *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 1A Loans to the MSL 1A Lenders;
  - B. *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 1B Loans to the MSL 1B Lenders;
  - C. *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 1C Loans to the MSL 1C Lenders; and
  - D. *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 1D Loans to the MSL 1D Lenders; and
- (ii) in applying the MSL 2 Interest Sequential Amount to the MSL 2 Loans:
- A. *first*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 2A Loans to the MSL 2A Lenders;
  - B. *second*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 2B Loans to the MSL 2B Lenders;
  - C. *third*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 2C Loans to the MSL 2C Lenders; and
  - D. *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of accrued but unpaid interest (excluding Default Interest) on the MSL 2D Loans to the MSL 2D Lenders.

“**Senior Loan Sequential Order**” means application of the relevant amounts first on a *pro rata* and *pari passu* basis in payment of the principal amounts outstanding of: (i) the Theatre 1 Loans (the amount being applied to the Theatre 1 Loans being the “**TH1 Loan Sequential Amount**”); (ii) the Theatre 2 Loans (the amount being applied to the Theatre 2 Loans being the “**TH2 Loan Sequential Amount**”), and (iii) the Minority Senior Loans (the amount being applied to the Minority Senior Loans being the “**MSL Loan Sequential Amount**”) and then subsequently:

- (a) in applying the TH1 Loan Sequential Amount to the Theatre 1 Loans:
- (i) first, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the Theatre 1A Loans;
  - (ii) second, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the Theatre 1B Loans;
  - (iii) third, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the Theatre 1C Loans; and
  - (iv) fourth, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the Theatre 1D Loans,
- (b) in applying the TH2 Loan Sequential Amount to the Theatre 2 Loans:
- (i) first, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the Theatre 2A Loans;

- (ii) second, on a *pro rata* and *pari passu* in or towards payment of the principal amounts outstanding of the Theatre 2B Loans;
  - (iii) third, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the Theatre 2C Loans; and
  - (iv) fourth, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the Theatre 2D Loans,
- (c) in applying the MSL Loan Sequential Amount to the Minority Senior Loans, on a *pro rata* and *pari passu* basis in payment of the principal amounts outstanding of: (i) the MSL 1 Loans (the amount being applied to the MSL 1 Loan being the “**MSL 1 Loan Sequential Amount**”); and (ii) the MSL 2 Loans (the amount being applied to the MSL 2 Loan being the “**MSL 2 Loan Sequential Amount**”) and then subsequently:
- (i) the MSL 1 Loan Sequential Amount in the following order:
    - A. first, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 1A Loans;
    - B. second, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 1B Loans;
    - C. third, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 1C Loans; and
    - D. fourth, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 1D Loans,
  - (ii) the MSL 2 Loan Sequential Amount in the following order:
    - A. first, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 2A Loans;
    - B. second, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 2B Loans;
    - C. third, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 2C Loans; and
    - D. fourth, on a *pro rata* and *pari passu* basis in or towards payment of the principal amounts outstanding of the MSL 2D Loans.

“**Senior Loan Unpaid Step-up Fees Sequential Order**” means the application of the relevant amounts first on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees on: (i) the Theatre 1 Loans (the amount being applied to the Theatre 1 Loans being the “**TH1 Unpaid Step-up Fees Sequential Amount**”); and (ii) the Theatre 2 Loans (the amount being applied to the Theatre 2 Loans being the “**TH2 Unpaid Step-up Fees Sequential Amount**”), and then subsequently:

- (a) in applying the TH1 Unpaid Step-up Fees Sequential Amount to the Theatre 1 Loans:
  - (i) *first*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 1A Loans to the Theatre 1A Lenders;
  - (ii) *second*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 1B Loans to the Theatre 1B Lenders;
  - (iii) *third*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 1C Loans to the Theatre 1C Lenders; and
  - (iv) *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 1D Loans to the Theatre 1D Lenders,
- (b) in applying the TH2 Unpaid Step-up Fees Sequential Amount to the Theatre 2 Loans:
  - (i) *first*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 2A Loans to the Theatre 2A Lenders;
  - (ii) *second*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 2B Loans to the Theatre 2B Lenders;

- (iii) *third*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 2C Loans to the Theatre 2C Lenders; and
- (iv) *fourth*, on a *pro rata* and *pari passu* basis in or towards payment of Unpaid Step-up Fees relating to the Theatre 2D Loans to the Theatre 2D Lenders.

“**Senior Loan to Value**” means the Senior Debt and the Swap Term Loan Debt as a percentage of the aggregate market value of the Properties (determined in accordance with the most recent valuation).

“**Senior Loan Tranche**” means each of: the Theatre 1A Loans; the Theatre 1B Loans; the Theatre 1C Loans; the Theatre 1D Loans; the Theatre 2A Loans; the Theatre 2B Loans; the Theatre 2C Loans; the Theatre 2D Loans; the MSL 1A Loans; the MSL 1B Loans; the MSL 1C Loans; the MSL 1D Loans; the MSL 2A Loans; the MSL 2B Loans; the MSL 2C Loans; and the MSL 2D Loans.

“**Senior Ranking Amounts**” means the Senior Debt and the Swap Term Loan Debt.

“**STL Facility Agent**” means the facility agent under the Swap Term Loan Facility Agreement.

“**Superior Lease**” means any present or future lease, underlease, sub-lease, licence, tenancy or right to occupy all or any part of a Property from which a Borrower derives its interest in a Property and any agreement or other contract for the grant of any of the foregoing from time to time.

“**Swap Term Loan Creditor**” means a Swap Term Loan Lender and/or (unless the context requires otherwise) the STL Facility Agent, the Facility Agent or the Borrower Security Trustee.

“**Swap Term Loan Debt**” means all liabilities owing or accrued (whether or not payable) by the Obligors to the Swap Term Loan Creditors (in their capacity as such) under or in connection with the Swap Term Loan Finance Documents.

“**Swap Term Loan Finance Documents**” means the Swap Term Loan Facility Agreement, the Restated Intercreditor Agreement; the Intercreditor Agreement Amendment and Restatement Agreement, the Security Documents; the Subordination Agreement; each transfer certificate; any fee letter; any margin letter; each New Hedge Document; each utilisation request; each accession letter; the Indemnity Deed; the Effective Date Tax Deed; the Tax Deed and any other document designated as such by the STL Facility Agent and the Obligors’ Agent.

“**Swap Term Loan Finance Parties**” means the Facility Agent, the STL Facility Agent, the Borrower Security Trustee, the New Hedge Counterparties and the Swap Term Loan Lenders.

“**Swap Term Loan Lenders**” means the lenders under the Swap Term Loan Facility Agreement.

“**Swap Term Loan Payment Default**” means an event of default caused by the non-payment by the Obligors of amounts due and payable under the Swap Term Loan Finance Documents.

“**Tenant**” means each tenant of the Properties, and includes any guarantor or surety for, or any assignee of, any such tenant under its Occupational Lease.

“**Tenant Group Rent Cover Ratio**” means the ratio of the Tenant Group EBITDAR for the most recently completed relevant period to the Adjusted Rental Income in the most recently completed relevant period.

“**Tenant Payment Event of Default**” means a Loan Event of Default under the Restated Propco Facility Agreement with respect to Opco or an Approved Tenant failing to pay rent under a Principal Lease on the date due.

“**Theatre 1 LIBOR**” means, in relation to any Loan or any sum due and payable but unpaid by an Obligor under the Finance Documents (other than the Hedge Documents) on which interest for a given period is to accrue, the LIBOR rate as supplied to the Facility Agent by the Agent Bank, or the Trustee pursuant to the Restated Agency Agreement so as to match the LIBOR rate accruing on the Notes.

“**Theatre 2 LIBOR**” means, in relation to any Loan or any sum due and payable but unpaid by an Obligor under the Finance Documents (other than the Hedge Documents) on which interest for a given period is to accrue, the LIBOR rate as supplied to the Facility Agent by the Agent Bank or the Trustee pursuant to the agency agreement dated 11 May 2007 between, amongst others Theatre (Hospitals) No. 2, the Trustee and the Agent Bank (in each case for the purposes of the Theatre (Hospitals) No. 2 Securitisation) to be amended and restated on the Effective Date so as to match the LIBOR rate accruing on the Theatre (Hospitals) No. 2 Notes.

**“Transaction Documents”** means each of the Finance Documents; the Swap Term Loan Finance Documents; the Shareholders’ Agreement; the Principal Leases; the property acquisition documents; the call option agreement and the call option charge; the call option deed over the Obligors’ Agent, the call option deed over the Borrowers, the Holdco Indemnity Letter and any document designated as such by the Facility Agent and the Obligors’ Agent.

**“Transaction Security”** means the security created or expressed to be created in favour of the Borrower Security Trustee pursuant to the Security Documents.

**“Valuer”** means DTZ Debenham Tie Leung Limited and, with respect to the leaseholder property known as The Priory Hospital, Colliers International Valuation UK LLP or a replacement valuer selected pursuant to the Restated Propco Facility Agreement or the Restated Intercreditor Agreement.

## NOTE RESTRUCTURING PROPOSALS

### Background

The proposed Restructuring as summarised in “*Restructuring*” above has been agreed to by the Master Servicer on behalf of the Senior Lenders subject to, amongst other items, certain modifications being made to the Issuer Transaction Documents. The purpose of the modifications to the Issuer Transaction Documents is to permit the enhanced economics that have been agreed by the parties in relation to the Restructuring to be passed through to Noteholders.

The modifications to the Issuer Transaction Documents will be documented and effected by a global deed of amendment and restatement (the “**Global Deed of Amendment and Restatement**”). The Global Deed of Amendment and Restatement will effect amendments to the Trust Deed (including the Conditions), the Cash Management Agreement, the Agency Agreement and the Liquidity Facility Agreement. The Global Deed of Amendment and Restatement and the amendments to the Trust Deed, the Cash Management Agreement, the Agency Agreement and the Liquidity Facility Agreement will not become effective or enforceable until the Effective Date.

Below is a summary of the principal changes to be made to the provisions of the Trust Deed, the Cash Management Agreement, the Agency Agreement and the Liquidity Facility Agreement which will be effected by the Global Deed of Amendment and Restatement.

*The summary descriptions set out in this section “Note Restructuring Proposals” are qualified in their entirety by the detailed terms of the Global Deed of Amendment and Restatement. Noteholders are advised to consult the final draft form of the Global Deed of Amendment and Restatement which is available for inspection as set out in “Additional Information – Documents available for inspection by Noteholders”.*

*Any defined term which is used but not defined in this section has the meaning given to it in the Prospectus. In the event that a term is defined in the Prospectus and in this section, the definition in this section shall prevail.*

### Trust Deed

#### *Definition of Outstanding*

Pursuant to the Trust Deed as amended and restated by the Global Deed of Amendment and Restatement (the Trust Deed as amended and restated, the “**Restated Trust Deed**”), the definition of “outstanding” will, from the Effective Date, include the Tenant Affiliates and any competitor of a Tenant so that the disenfranchisement provisions with respect to voting rights at Noteholder meetings will substantially mirror the voting disenfranchisement amendments contained in the Restated Intercreditor Agreement (see “*Restructuring – Restated Intercreditor Agreement – Disenfranchisement of Tenant Affiliates*” above).

#### *Rates of Interest*

On and after the Effective Date, the Conditions set out in the Restated Trust Deed (the “**Restated Conditions**”) shall provide that the Relevant Margin with respect to each Class of Notes will be:

- (a) Class A Notes: 3.00 per cent. per annum;
- (b) Class B Notes: 3.75 per cent. per annum;
- (c) Class C Notes: 4.75 per cent. per annum; and
- (d) Class D Notes: 5.75 per cent. per annum.

#### *Step-up Fees*

On and after the Effective Date, the Restated Conditions shall provide that step-up fees (the “**Post Effective Date Step-up Fees**”) will accrue on each Class of Notes in a manner to mirror the accrual of Default Interest on the related Theatre 1 Loan (see “*Restructuring – Restated Propco Facility Agreement – Default Interest*” above) such that the Post Effective Date Step-up Fees shall accrue on the principal amount outstanding of each Class of Notes for so long as the Post-Default Conditions, as defined in the Restated Intercreditor Agreement, are in effect or where amounts (an “**Unpaid Amount**”) remain unpaid with respect to the related Theatre 1 Loan.

The rate (the “**Post Effective Date Step-up Fee Rate**”) at which the Post Effective Step-up Fees accrue shall be:

- (a) from (and including) the Effective Date to (but excluding) 15 July 2017:
- (i) if the Senior Loan to Value, is less than 60 per cent., 1 per cent., which shall increase to 1.25 per cent. on the date which is nine months after the date specified in the notice delivered by the Master Servicer or the Special Servicer notifying the Cash Manager, the Agent Bank, the Issuer and the Trustee of the date the Post-Default Conditions (as defined in the Restated Intercreditor Agreement) have become effective or ceased to be effective (a “**Post-Default Conditions Notice**”); or
  - (ii) if the Senior Loan to Value is equal to or greater than 60 per cent. but less than 70 per cent., 1.25 per cent., which shall increase to 1.5 per cent. on the date which is nine months after the date specified in the Post-Default Conditions Notice; or
  - (iii) if the Senior Loan to Value is equal to or greater than 70 per cent., 1.625 per cent., which shall increase to 2 per cent. on the date which is nine months after the date specified in the Post-Default Conditions Notice,
- unless the Theatre 1 Loans (as defined in in “*Restructuring*” above) have been accelerated or the Facility Agent has declared that any liabilities under the Theatre 1 Loans are prematurely due and payable or are payable on demand as a result of any Loan Event of Default; and
- (b) from (and including) 15 July 2017, and/or following the acceleration of the Theatre 1 Loans or any declaration that any liabilities under the Theatre 1 Loans are prematurely due and payable or are payable on demand as a result of any Loan Event of Default:
- (i) if the Senior Loan to Value is less than 60 per cent., 2 per cent., which shall increase to 2.5 per cent. on the date which is nine months after the date specified in the Post-Default Conditions Notice; or
  - (ii) if the Senior Loan to Value is equal to or greater than 60 per cent. but less than 70 per cent., 2.5 per cent., which shall increase to 3 per cent. on the date which is nine months after the date specified in the Post-Default Conditions Notice; or
  - (iii) if the Senior Loan to Value is equal to or greater than 70 per cent., 3.25 per cent., which shall increase to 4 per cent. on the date which is nine months after the date specified in the Post-Default Conditions Notice,

provided that whilst the Post-Default Conditions are in continuous effect or whilst an Unpaid Amount remains outstanding the Post-Effective Date Step-Up Fee Rate shall not reduce notwithstanding any change in the Senior Loan to Value unless the Master Servicer and/or Special Servicer, as applicable, gives a contrary notification to the Cash Manager in accordance with the provisions of the Cash Management Agreement as amended by the Global Deed of Amendment and Restatement.

“**Senior Loan to Value**” means the aggregate of (i) the mark-to-market under the New Hedge Agreements; (ii) the amounts outstanding under the Whole Senior Loan; and (iii) the amounts outstanding under the Swap Term Loan Finance Documents (as defined in “*Restructuring*” above) expressed as a percentage of the aggregate market value of the Properties as calculated by the Facility Agent pursuant to the terms of the Finance Documents and as notified to the Cash Manager, the Agent Bank, the Issuer and the Trustee by the Master Servicer or Special Servicer, as applicable, in accordance with the provisions of the Cash Management Agreement as amended by the Global Deed of Amendment and Restatement.

*Application of the Effective Date Principal Amounts*

Subject to “- *Application of Available Issuer Principal whilst Post Default Conditions are in effect*” and “- *Order of application of principal*”, the Restated Conditions shall provide that all principal amounts received by the Issuer on the Effective Date from the prepayment of the Theatre 1 Loans from the application of proceeds standing to the credit of the Mandatory Prepayment Account following the payment of Restructuring Costs (the “**Effective Date Mandatory Prepayment Account Principal Amount**”) will be applied on the Effective Date or, if the Effective Date is not a Note Payment Date, on the first Note Payment Date following the Effective Date on a *pro rata* and *pari passu* basis to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Following the application of the Effective Date Mandatory Prepayment Account Principal Amount, principal amounts received by the Issuer on the Effective Date from the prepayment of the Theatre 1 Loans from the application of proceeds of the New Money Loans (the “**Effective Date New Money**”

**Principal Amount**”) will be applied on the Effective Date or, if the Effective Date is not a Note Payment Date, on the first Note Payment Date following the Effective Date, in the following order of priority:

- (a) first, in repaying, *pari passu* and *pro rata*, principal on the Class B Notes until all the Class B Notes have been redeemed in full;
- (b) second, in repaying, *pari passu* and *pro rata*, principal on the Class A Notes until all the Class A Notes have been redeemed in full;
- (c) third, in repaying, *pari passu* and *pro rata*, principal on the Class C Notes until all the Class C Notes have been redeemed in full; and
- (d) fourth, in repaying, *pari passu* and *pro rata*, principal on the Class D Notes until all the Class D Notes have been redeemed in full.

*Application of Available Issuer Principal whilst the Post-Default Conditions are not in effect*

From the Effective Date, the Restated Conditions shall provide that all principal proceeds received by the Issuer following prepayment of the Theatre 1 Loans (other than amounts representing Scheduled Amortisation and Catch-up Scheduled Amortisation) whilst the Post-Default Conditions are not in effect shall be applied by the Issuer on each Note Payment Date in repaying the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in that order of priority provided that no amounts may be applied to a Class of Notes until all senior ranking Classes of Note(s) have been redeemed in full (the “**Note Sequential Order**”).

From the Effective Date, the Restated Conditions shall provide that all principal proceeds received by the Issuer following prepayment of the Theatre 1 Loans representing Scheduled Amortisation and Catch-up Scheduled Amortisation whilst the Post-Default Conditions are not in effect shall be applied by the Issuer on a *pro rata* and *pari passu* basis to the Class A Notes, the Class B Note, the Class C Notes and the Class D Notes.

“**Scheduled Amortisation**” means all principal proceeds received by the Issuer following prepayment of the Theatre 1 Loans from Repayment Instalments and Additional Repayment Instalments.

“**Catch-up Scheduled Amortisation**” means all principal proceeds received by the Issuer following prepayment of the Theatre 1 Loans from Repayment Instalments Shortfall Amounts.

*Application of Available Issuer Principal whilst the Post-Default Conditions are in effect*

From the Effective Date, the Restated Conditions shall provide that all principal proceeds received by the Issuer following prepayment of the Theatre 1 Loans (including amounts representing Scheduled Amortisation and Catch-up Scheduled Amortisation) whilst the Post-Default Conditions, but prior to the service of a Note Enforcement Notice or the Notes otherwise becoming due and payable in full, are in effect shall be applied by the Issuer on each Note Payment Date in the Note Sequential Order.

*Order of Application of Principal*

From the Effective Date, the Restated Conditions shall provide that on each Note Payment Date, the Issuer shall apply principal proceeds received in the order of priority that such proceeds have been applied to the Theatre 1 Loans as advised by the Master Servicer or the Special Servicer, as applicable to the Cash Manager (see “- *Cash Management Agreement – Reports*” below).

*Make-Whole Amount*

As summarised above, a make-whole amount will be payable with respect to any prepayment of the Theatre 1 Loans prior to the first anniversary of the Effective Date from principal proceeds amounts received by the Issuer other than prepayments from Scheduled Amortisation, Catch-up Scheduled Amortisation, the amortisation of the Theatre 1 Loans from the proceeds of a Permitted Rent Reduction Transaction (the “**Rent Reduction Amortisation**”) or from Surplus Cashflow (the “**Surplus Cashflow Amortisation**”) (see “*Restructuring – Restated Propco Facility Agreement – Prepayment – Make-Whole*” above). The make-whole amount (“**Note Make-Whole Amounts**”) payable on each Class of Notes shall equal the Make-Whole Amount paid on the corresponding Theatre 1 Loan as described in “*Restructuring – Restated Propco Facility Agreement – Prepayment – Make-Whole*” above.

*Loan Enforcement Action*

The definition of Loan Enforcement Action in the Conditions will be amended to mirror the definition of Enforcement Action under the Restated Intercreditor Agreement.

### *Tenant Incurrence Event of Default*

To reflect the deletion of the requirement to prepay the Propco Loans following the breach of the Tenant Incurrence Test in the Restated Propco Facility Agreement (as defined in “*Restructuring*” above), the corresponding Note Event of Default shall be deleted.

### **Agency Agreement**

Pursuant to the Agency Agreement as amended and restated by the Global Deed of Amendment and Restatement (the “**Restated Agency Agreement**”), the Agent Bank will be required to notify the Master Servicer, the Special Servicer and the Facility Agent of its determination of LIBOR, as soon as practicable after the determination thereof, on each Interest Determination Date in order for the Facility Agent to determine the appropriate rate of interest applicable to each Theatre 1 Loan (see “*Restructuring – Restated Propco Facility Agreement - Interest*” above).

### **Cash Management Agreement**

In order to facilitate the payment mechanics required in relation to the amendments made in the Restated Conditions and with respect to the calculation of the Theatre 1 Facility Fee, the Cash Management Agreement will be amended and restated by the Global Deed of Amendment and Restatement (the Cash Management Agreement as amended and restated, the “**Restated Cash Management Agreement**”) in the following manner.

#### *Ledgers*

To account for the various payments to be made pursuant to the Restated Conditions, the Cash Manager will be required to establish and maintain ledgers with respect to amounts received by and paid by the Issuer representing (i) the Effective Date Mandatory Prepayment Account Principal Amount; (ii) the Effective Date New Money Principal Amount; (iii) Scheduled Amortisation; (iv) Catch-up Scheduled Amortisation (v) Surplus Cashflow Amortisation; (vi) Rent Reduction Amortisation; (vii) certain amounts to be reserved by the Issuer to fund the cost of winding-up the Issuer (the “**Issuer Winding-Up Ledger**”); and (viii) Note Make-Whole Amounts.

#### *Theatre 1 Facility Fee*

To enable the Facility Agent to determine the Theatre 1 Facility Fee for each Loan Interest Payment Date (see “*Restructuring – Restated Propco Facility Agreement – Theatre 1 Facility Fees, Theatre 2 Facility Fees and Minority Senior Lender Facility Fees*” above), the Cash Manager must notify the Master Servicer or the Special Servicer (as the case may be) and the Facility Agent no later than 5 Note Business Days prior to each Loan Interest Payment Date of (i) each amount required to satisfy each of limbs (a) to (o) of the Issuer Pre-Enforcement Revenue Priority of Payments or limbs (a) to (n) of the Issuer Post-Enforcement Priority of Payments on the immediately following Note Payment Date; and (ii) the amount standing to the credit of the Post-Step-up Reserve Ledger.

Promptly after the Effective Date (or, if the Effective Date is not a Note Payment Date, the Note Payment Date immediately following the Effective Date) the Cash Manager must notify the Master Servicer of the amount of Step-up Fees (as defined in the Prospectus) that have accrued on each Class of Notes but remain unpaid following the Effective Date (or if the Effective Date is not a Note Payment Date, the Note Payment Date immediately following the Effective Date) so that the Unpaid Step-up Fees (as defined in “*Restructuring*” above) payable to the Issuer pursuant to the terms of the Restated Propco Facility Agreement may be determined.

#### *Reports*

To enable the Cash Manager to determine the amount of Post-Effective Date Step-up Fees payable on each Class of Notes and the amount of principal proceeds received by the Issuer to be applied to each Class of Notes, pursuant to the Restated Cash Management Agreement, the Master Servicer or the Special Servicer, as applicable, will, in addition to the quarterly financial reports (the “**Quarterly Financial Reports**”) currently being provided by the Master Servicer and the Special Servicer:

- (a) notify the Cash Manager of the amount of (i) the Effective Date Mandatory Prepayment Account Principal Amount; and (ii) the Effective Date New Money Principal Amount, received by the Issuer on the Effective Date;
- (b) no later than one Note Business Day before each Note Calculation Date, and to the extent not contained in the Quarterly Financial Reports, notify the Cash Manager of the amount of (i) Scheduled Amortisation; (ii) Catch-up Amortisation; (iii) Surplus Cashflow Amortisation; (v)

Rent Reduction Amortisation; and (vi) all other principal amounts, to be paid to the Issuer on that Loan Interest Payment Date to the extent the Master Servicer and/or the Special Servicer has been advised of such information by the Facility Agent;

- (c) on each Note Calculation Date, and to the extent not contained in the Quarterly Financial Reports, notify the Cash Manager of the amount of the Make-Whole Amounts payable on each Theatre 1 Loan that will be paid to the Issuer on the next Loan Interest Payment Date to the extent the Master Servicer and/or the Special Servicer has been advised of such information by the Facility Agent;
- (d) notify the Cash Manager, the Agent Bank, the Trustee and the Issuer when, and the date on which, the Post-Default Conditions become effective or cease to be effective (subject to the Facility Agent providing prior notice to the Master Servicer and/or Special Servicer of the same);
- (e) notify the Cash Manager, the Agent Bank, the Trustee and the Issuer of any Unpaid Amount, the date when such Unpaid Amount became due and payable, and the date, if appropriate, when such Unpaid Amount ceased to be due and payable (subject to the Facility Agent providing prior notice to the Master Servicer and/or Special Servicer of the same);
- (f) notify the Cash Manager, the Agent Bank, the Trustee and the Issuer of the Senior Loan to Value and the date when that Senior Loan to Value became applicable (subject to the Facility Agent providing prior notice to the Master Servicer and/or Special Servicer of the same);
- (g) notify the Cash Manager, the Agent Bank, the Trustee and the Issuer whether the Post-Effective Date Step-up Fee Rate has been reduced and if so reduced the amended Post-Effective Date Step-up Fee Rate (subject to the Facility Agent providing prior notice to the Master Servicer and/or Special Servicer of the same); and
- (h) notify the Cash Manager of the order in which the principal amounts set out in (a) and (b) above are received by the Issuer and the order in which they should be applied to the Notes so that immediately following the relevant Note Payment Date the principal amount outstanding of the relevant Theatre 1 Loan equals the principal amount outstanding of the corresponding Class of Notes.

#### *Indemnification of the Master Servicer and Special Servicer*

In consideration for the Master Servicer and the Special Servicer providing the notifications described in “- Reports” above, the Restated Cash Management Agreement will provide that the Issuer will indemnify the Master Servicer and the Special Servicer on the same basis as the indemnity set out in the Servicing Agreement so that the Issuer will fully indemnify the Master Servicer or the Special Servicer and their officers and employees from and against all claims, actions, demands, proceedings, liabilities, losses, costs, damages, charges and expenses which the Master Servicer or the Special Servicer and its officers and employees may incur or may be made against it in consequence of, or in connection with, anything done or purported to be done or omitted by the Master Servicer or the Special Servicer under or in connection with the Restated Cash Management Agreement (save where such liabilities, losses, costs, damages, charges and expenses arise as a result of the negligence, wilful default or fraud of the Master Servicer or the Special Servicer, its officers or employees or any subcontractor or delegate of the Master Servicer or the Special Servicer or a breach by the Master Servicer or the Special Servicer of the terms of the Restated Cash Management Agreement). The Issuer shall pay amounts due to the Master Servicer and/or the Special Servicer pursuant to such indemnity on the Note Payment Date following a demand by the Relevant Servicer, subject to, and in accordance with the Issuer Priority of Payments.

#### *Issuer Priority of Payments*

The following amendments will be made to the Issuer Pre-Enforcement Revenue Priority of Payments:

- (a) any Note Make-Whole Amounts will be paid to the relevant Noteholders prior to the application of the Adjusted Available Issuer Income (other than amounts representing Note Make-Whole Amounts) pursuant to the Issuer Pre-Enforcement Revenue Priority of Payments;
- (b) any amounts payable to the Master Servicer or the Special Servicer pursuant to the indemnity in the Restated Cash Management Agreement will be payable under paragraph (c) of the Issuer Pre-Enforcement Revenue Priority of Payments;

- (c) paragraph (d) of the Issuer Pre-Enforcement Revenue Priority of Payments will be amended so that a new sub-paragraph (iv) will be inserted representing amounts the Issuer will retain, subject to that the Master Servicer or the Special Servicer having first notified the Cash Manager that the Theatre 1 Loans will be repaid or prepaid in full with the consequence that it is anticipated that the Issuer will be wound-up, in the Issuer Winding-Up Ledger in an amount equal to £40,000 or such higher amount as certified in writing by the directors of the Issuer as being required for the purposes of the winding-up of the Issuer; and
- (d) paragraph (p) of the Issuer Pre-Enforcement Revenue Priority of Payments will be amended so that the amounts retained in the Post Step-up Reserve Ledger will equal any remaining Adjusted Available Issuer Income following application of paragraphs (a) to (o) of the Issuer Pre-Enforcement Revenue Priority of Payments.

The following amendments will be made to the Issuer Post-Enforcement Priority of Payments:

- (a) any amounts payable to the Master Servicer or the Special Servicer pursuant to the indemnity in the Cash Management Agreement will be payable under paragraph (c) of the Issuer Post-Enforcement Priority of Payments; and
- (b) paragraph (d) of the Issuer Post-Enforcement Priority of Payments will be amended so that a new sub-paragraph (ii) will be inserted representing amounts the Issuer will retain, subject to the Master Servicer or the Special Servicer having first notified the Cash Manager that the Theatre 1 Loans will be repaid or prepaid in full with the consequence that it is anticipated that the Issuer will be wound-up, in the Issuer Winding-Up Ledger in an amount equal to £40,000 or such higher amount as certified in writing by the directors of the Issuer as being required for the purposes of the winding-up of the Issuer.

#### **Liquidity Facility Agreement**

In consideration for the consent of the Liquidity Facility Provider to the Note Restructuring Proposals, the Liquidity Facility Agreement will be amended and restated by the Global Deed of Amendment and Restatement in the following manner:

- (a) the Liquidity Requisite Ratings will be amended from a rating for a bank of at least “F1” (or better) by Fitch and “A-1+” (or better) by S&P for that bank’s short-term unsecured, unsubordinated and unguaranteed debt obligations to a rating for a bank of at least “F1” (or better) by Fitch and “A-1” (or better) by S&P for that bank’s short-term unsecured, unsubordinated and unguaranteed debt obligations and consequentially the entirety of the currently drawn Liquidity Stand-by Drawing shall be returned to the Liquidity Facility Provider pursuant to the terms of the Liquidity Facility Agreement;
- (b) the rate of interest which shall accrue on the principal amount advanced (a “**Liquidity Loan**”) pursuant to a Liquidity Drawing following the Effective Date shall be the aggregate of (i) 3.00 per cent.; (ii) LIBOR (provided that if LIBOR is less than zero, LIBOR shall be deemed to be zero); and (iii) the mandatory costs of the Liquidity Facility Provider; as amended from the rate of interest applicable to each Liquidity Loan prior to the Effective Date being (i) 0.40 per cent.; (ii) LIBOR; and (iii) the mandatory costs of the Liquidity Facility Provider;
- (c) the rate of interest which shall accrue on the principal amount advanced (a “**Liquidity Stand-by Loan**”) pursuant to a Liquidity Stand-by Drawing following the Effective Date shall be the aggregate of (i) 3.00 per cent.; (ii) LIBOR (provided that if LIBOR is less than zero, LIBOR shall be deemed to be zero); (iii) an amount equal to the amount of interest earned on Liquidity Stand-by Account; and (iv) the interest element of any proceeds of any Eligible Investments made out of amounts standing to the credit of the Liquidity Stand-by Account; as amended from the rate of interest applicable to each Liquidity Stand-by Loan prior to the Effective Date, being (i) 0.20 per cent.; (ii) an amount equal to the amount of interest earned on Liquidity Stand-by Account; and (iii) the interest element of any proceeds of any Eligible Investments made out of amounts standing to the credit of the Liquidity Stand-by Account; and
- (d) the Issuer must pay to the Liquidity Facility Provider a commitment fee on the undrawn, uncanceled amount of the Liquidity Facility Commitment equal to:
  - (i) 1.50 per cent. per annum provided the Most Senior Class of Notes have a rating of at least BBB- from S&P; or

(ii) 1.75 per cent. per annum provided the Most Senior Class of Notes have a rating of BB+ or lower from S&P or if the Most Senior Class of Notes cease to be rated by S&P, as amended from a commitment fee of 0.20 per cent. prior to the Effective Date.

## THE CONSENT SOLICITATION

### General

On the terms and subject to the conditions contained in this Consent Solicitation Memorandum, the Issuer at the request of the Master Servicer is soliciting the approval of the Note Restructuring Proposals by Noteholders of each Class by way of separate Extraordinary Resolutions pursuant to the Conditions and the Trust Deed.

### Early Consent Fee and Late Consent Fee

Subject to satisfaction of the Note Restructuring Conditions, Noteholders who either deliver, or procure delivery on their behalf, of a Consent Instruction, in the manner described in "*The Consent Solicitation - Procedure for Voting*" in favour of the relevant Extraordinary Resolution (which is not revoked) will be eligible to receive either the Early Consent Fee or the Late Consent Fee, as follows:

- (i) if such Consent Instruction in favour of the relevant Extraordinary Resolution is received by the Tabulation Agent prior to the Early Voting Deadline, (and such Consent Instruction is not subsequently revoked) the relevant Noteholder will be eligible to receive the Early Consent Fee of 0.40 per cent. of the aggregate principal amount of Notes which are the subject of such Consent Instruction; or
- (ii) if such Consent Instruction in favour of the relevant Extraordinary Resolution is received by the Tabulation Agent after the Early Voting Deadline but prior to the Expiration Deadline (and such Consent Instruction is not subsequently revoked), the relevant Noteholder will be eligible to receive the Late Consent Fee of 0.20 per cent. of the aggregate principal amount of Notes which are the subject of such Consent Instruction.

Only Noteholders who (i) deliver, or arrange to have delivered on their behalf, valid Consent Instructions in favour of the relevant Extraordinary Resolution by the Early Voting Deadline (and such Consent Instruction is not subsequently revoked in the limited circumstances described in the section headed "*- Revocation Rights*" below) and (ii) do not seek to attend the relevant Meeting (or any adjourned Meeting) in person or make any other arrangements to be represented at the relevant Meeting, will be eligible for the applicable Early Consent Fee.

Only Noteholders who (i) deliver, or arrange to have delivered on their behalf, valid Consent Instructions in favour of the relevant Extraordinary Resolution after the Early Voting Deadline but prior to the Expiration Deadline (and such Consent Instruction is not subsequently revoked in the limited circumstances described in the section headed "*- Revocation Rights*" below) and (ii) do not seek to attend the relevant Meeting (or any adjourned Meeting) in person or make any other arrangements to be represented at the relevant Meeting, will be eligible for the applicable Late Consent Fee.

Any Noteholder that delivers a Consent Instruction not in favour of the relevant Extraordinary Resolution will not be eligible for the Early Consent Fee or the Late Consent Fee.

Any Noteholder that separately seeks to appoint a proxy to vote at the relevant Meeting (or any adjourned Meeting) on its behalf or attends the relevant Meeting (or any adjourned Meeting) in person or makes other arrangements to be represented at the relevant Meeting will not be eligible for the Early Consent Fee or the Late Consent Fee, irrespective of whether such Noteholder has voted in favour of the relevant Extraordinary Resolution.

The payment of any Early Consent Fee or Late Consent Fee is conditional upon the satisfaction of the Note Restructuring Conditions and will be payable to Noteholders on the Settlement Date in immediately available funds delivered to the Clearing Systems for payment to the cash accounts of the relevant Noteholders in the Clearing Systems. The deposit of such funds with the Clearing Systems will discharge the obligation of the Issuer to all Noteholders in respect of the above amounts represented by such funds. Although it is anticipated that the Settlement Date will take place on or around 15 May 2015, the Settlement Date is subject to the occurrence of the satisfaction of the Note Restructuring Conditions and the Issuer will delay payment of the Early Consent Fee or Late Consent Fee until such time as the Note Restructuring Conditions have either been satisfied or waived (as determined by the Issuer acting at the request of the Master Servicer).

### Noteholders' Rights of Revocation

The submission of any Consent Instruction in accordance with the procedures set out in the section headed “- *Procedure for Voting*” below will be irrevocable except in the limited circumstances described in the section headed “- *Revocation Rights*” below.

### **Announcements**

Unless stated otherwise, announcements in connection with the Consent Solicitation will first be made through the website of the Irish Stock Exchange (www.ise.ie) and the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also at the option of the Master Servicer subsequently be made by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained from the Tabulation Agent, the contact details for which are on page 4 of this Consent Solicitation Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tabulation Agent for the relevant announcements during the course of the Consent Solicitation. In addition, Noteholders may contact the Master Servicer or Lazard as the financial adviser to the Master Servicer for information using the contact details on page 4 of this Consent Solicitation Memorandum.

### **Meetings, Voting and Quorum**

The Meetings of Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders will be held at the offices of Paul Hastings (Europe) LLP, Eighth Floor, 10 Bishops Square, London E1 6EG on 5 May 2015 at 11.00 a.m. (in the case of the Class A Noteholders), at 11.10 a.m., or if later, immediately following the conclusion of the meeting of the holders of the Class A Notes (in the case of the Class B Noteholders), at 11.20 a.m., or if later, immediately following the conclusion of the meeting of the holders of the Class B Notes (in the case of the Class C Noteholders) and at 11.30 a.m. or if later, immediately following the conclusion of the meeting of the holders of the Class C Notes (in the case of the Class D Noteholders).

The quorum required at each Meeting is one or more Eligible Persons (as defined in the Trust Deed) present and representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding. If a quorum is not present at any Meeting within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide), such Meeting will be adjourned for not less than 13 Clear Days nor more than 42 Clear Days, and to such time and place as the Chairman may decide and the Extraordinary Resolutions will be considered at an adjourned Meeting (notice of which will be given to the Noteholders of the relevant Class). The quorum at such adjourned Meeting shall be one or more Eligible Persons present holding or representing in the aggregate not less than 33 per cent. in aggregate Principal Amount Outstanding of the Notes then outstanding, the Chairman may either (with the approval of the Issuer and the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 Clear Days (but without any maximum number of Clear Days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned Meetings.

As the Note Restructuring Proposals constitute a Basic Terms Modification, to be passed at each Meeting, each Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the Eligible Persons voting upon a show of hands or, if a poll is duly demanded, by a majority of not less than three-fourths of the votes cast on such poll. The Extraordinary Resolutions shall be binding on all Noteholders of the relevant Class, whether present or not at the Meeting at which it is passed and whether or not voting.

*Noteholders should note that the Extraordinary Resolution of the Class A Noteholders shall not take effect unless such Extraordinary Resolution is sanctioned by an Extraordinary Resolution of the Class B Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders. Likewise, the Extraordinary Resolution of the Class B Noteholders shall not be effective for any purpose unless it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class C Noteholders and an Extraordinary Resolution of the Class D Noteholders. The Extraordinary Resolution of the Class C Noteholders shall not be effective for any purpose unless it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class D Noteholders. The Extraordinary Resolution of the Class D Noteholders shall not be effective for any purpose unless it is sanctioned by an Extraordinary Resolution of the Class A Noteholders, an Extraordinary Resolution of the Class B Noteholders and an Extraordinary Resolution of the Class C Noteholders.*

THE ATTENTION OF THE NOTEHOLDERS IS PARTICULARLY DRAWN TO THE QUORUM

REQUIRED FOR THE MEETINGS AND ANY ADJOURNED MEETING. HAVING REGARD TO SUCH REQUIREMENTS, ALL NOTEHOLDERS ARE STRONGLY URGED BY THE MASTER SERVICER EITHER TO ATTEND THE RELEVANT MEETING OR TO TAKE STEPS TO BE REPRESENTED AT SUCH MEETING, AS REFERRED TO IN THE NOTICE, AS SOON AS POSSIBLE.

Please refer to Annex A (*Form of Notices of Meeting*) for full details of the Meetings, voting and quorum requirements.

**Procedure for Voting**

On or after the date of this Consent Solicitation Memorandum, a Noteholder may vote in relation to the Consent Solicitation by submitting a Consent Instruction in accordance with this section “- *Procedure for Voting*”,

Consent Instructions must be delivered to the Tabulation Agent via the relevant Clearing System by Direct Participants in accordance with the requirements of such Clearing System.

A Noteholder not wishing to attend the Meeting (or any adjourned Meeting) in person may give such direction by way of a Consent Instruction via the Tabulation Agent to the Principal Paying Agent and require the Principal Paying Agent to include the votes attributable to its Notes in a block voting instruction issued by the Principal Paying Agent for the Meeting (or any adjourned Meeting), in which case the Principal Paying Agent shall appoint an employee of the Tabulation Agent to attend as a proxy and vote at the Meeting (or any adjourned Meeting) in accordance with such Noteholder’s instructions.

A Noteholder wishing to attend in person and vote at the Meeting (or any adjourned Meeting) may give such direction through the Clearing Systems to the Tabulation Agent who will instruct the Principal Paying Agent to issue a voting certificate pursuant to which such Noteholder will, subject to its producing evidence of holding satisfactory to the Principal Paying Agent and the Trustee at the Meeting, be permitted to attend and vote at the Meeting. ***A Noteholder that attends a Meeting in person will not be eligible for the Early Consent Fee or the Late Consent Fee.***

Consent Instructions must be received by the Tabulation Agent by the Early Voting Deadline to be eligible for the Early Consent Fee and after the Early Voting Deadline but prior to the Expiration Date to be eligible for the Late Consent Fee (see “*Indicative Solicitation Timetable*”). Noteholders are urged to take into account the deadlines set by Clearing Systems and any intermediary or custodian through which a Noteholder may hold Notes.

Noteholders may contact the Tabulation Agent via email or at its telephone number provided on page 4 of this Consent Solicitation Memorandum if they require assistance or information in relation to the procedures for submitting Consent Instructions.

**Only Direct Participants may submit a Consent Instruction. If you are not a Direct Participant, you must arrange for the Direct Participant through which you hold the relevant Notes to submit a Consent Instruction on your behalf to the Tabulation Agent.**

Holders of Notes that are held in the name of a broker, dealer, bank, trust company or other nominee or custodian should contact such entity sufficiently in advance of the Early Voting Deadline or the Expiration Deadline if they wish to vote and procure that the relevant Notes are blocked in accordance with the standard procedures of the relevant Clearing System and the deadlines imposed by such Clearing System.

The submission of a Consent Instruction by a Noteholder will constitute an instruction to block the relevant Noteholder’s Notes in the relevant Clearing System account from the date the Consent Instruction is submitted until the earlier of: (i) the conclusion of the Meeting and any adjourned Meeting (in the event that the Extraordinary Resolution is not passed) and; (ii) the withdrawal of the Consent Instruction in accordance with the rights set out in the section headed “- *Revocation Rights*” below.

*By delivering a Consent Instruction through Euroclear or Clearstream, Luxembourg to the Tabulation Agent, Direct Participants in Euroclear or Clearstream, Luxembourg are deemed to authorise Euroclear or Clearstream, Luxembourg, as applicable, to disclose: (a) their identity; (b) the aggregate principal amount of Notes which are the subject of such Consent Instruction in relation thereto; and (c) their Euroclear or Clearstream, Luxembourg account details, to the Tabulation Agent for disclosure to the Issuer, the Principal Paying Agent, the Trustee, the Master Servicer and its advisers.*

**Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other**

**trustee through which they hold Notes whether such broker, dealer, bank, custodian, trust company or other trustee would require receiving any notice or instructions prior to the deadlines set out in “*Indicative Solicitation Timetable*”.**

None of the Issuer, the Master Servicer, the Trustee, the Paying Agents and the Tabulation Agent shall be under any duty to give notice to Noteholders of any defects, irregularities or delays in any Consent Instructions, nor shall any of them incur any liability for failure to give such notice.

*Restrictions on Transfer*

The receipt of a Consent Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Notes in the relevant Clearing System so that no transfer may be effected in relation to such Notes until the earlier of (i) the conclusion of the relevant Meeting and any adjourned Meeting (if the Extraordinary Resolution is not passed); and (ii) the withdrawal of the Consent Instruction in accordance with the rights set out in “– *Revocation Rights*” below, all in accordance with the normal operating procedures of such Clearing System, and after taking into account the deadlines imposed by such Clearing System. Noteholders must take the appropriate steps through the relevant Clearing System so that no transfers or other action may be effected in relation to such blocked Notes at any time after the date of submission of such Consent Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking the Notes in the relevant Clearing System, each holder of such Notes will be deemed to consent to have the relevant Clearing System provide details concerning such holder’s identity to the Tabulation Agent.

*Revocation*

A Consent Instruction submitted by or on behalf of a Noteholder may be withdrawn by that Noteholder by submission of an electronic withdrawal instruction to the Tabulation Agent, by a properly transmitted message, in accordance with the procedures of the relevant Clearing System only in the limited circumstances set out in “– *Revocation Rights*”. Following such withdrawal the Tabulation Agent will advise the relevant Clearing System that the relevant Notes may be unblocked.

*Acknowledgements, Agreements, Representations, Warranties and Undertakings*

By submitting a valid Consent Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, a Noteholder and any Direct Participant submitting such Consent Instruction on such Noteholder’s behalf shall be deemed to agree, and acknowledge, represent, warrant and undertake, to the Issuer and the Tabulation Agent at the Early Voting Deadline, the Expiration Deadline and the time of settlement on the Settlement Date (if a Noteholder or Direct Participant is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such Noteholder or Direct Participant should contact the Tabulation Agent immediately) that:

- (a) it is a holder of the Notes;
- (b) it has received the Notice, and has reviewed and accepts the distribution restrictions, terms, conditions, risk factors and other considerations relating to the relevant Consent Solicitation as set out in the Consent Solicitation Memorandum, and has undertaken an appropriate analysis of the implications of the relevant Extraordinary Resolution, without relying on the Issuer, the Principal Paying Agent, the Trustee, the Master Servicer or the Tabulation Agent;
- (c) it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any vote in relation to the Extraordinary Resolution, in any jurisdiction and that it has not taken or omitted to take any action in breach of the representations or which will or may result in the Issuer, the Principal Paying Agent, the Trustee, the Master Servicer or the Tabulation Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with any votes in favour of the Note Restructuring Proposal;
- (d) any consents delivered by it in respect of the Extraordinary Resolution are made upon the terms and subject to the conditions of the Consent Solicitation Memorandum;
- (e) by blocking the relevant Notes in the relevant Clearing System, it will be deemed to consent to have such Clearing System provide details concerning its identity to the Tabulation Agent (and

- for the Tabulation Agent to provide such details to the Issuer, the Trustee, the Principal Paying Agent and the Master Servicer and their respective advisers);
- (f) it gives instructions for the appointment of one or more representatives of the Tabulation Agent by the Principal Paying Agent as its proxy to vote at the Meeting (including any adjourned Meeting) in respect of all the Notes of the relevant Class in its account blocked in the relevant Clearing System;
  - (g) each Consent Instruction is being submitted in compliance with the applicable laws or regulations of the jurisdiction in which the Noteholder is located or in which it is resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with each such instruction;
  - (h) all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustee in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity or that of the party on whose behalf such holder is acting;
  - (i) no information has been provided to it by the Issuer, the Master Servicer, the Principal Paying Agent, the Trustee or the Tabulation Agent, or any of their respective directors, employees, advisers or representatives, with regard to the tax consequences for Noteholders arising from the relevant Extraordinary Resolution and the receipt of the Early Consent Fee or the Late Consent Fee (as applicable), and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction in connection with the relevant Extraordinary Resolution, and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Master Servicer, the Principal Paying Agent, the Trustee or the Tabulation Agent, or any of their respective directors, employees, advisers or representatives or any other person in respect of such taxes and payments;
  - (j) it is not a person to whom it is unlawful to make the Note Restructuring Proposals pursuant to the Consent Solicitation under applicable securities laws;
  - (k) it holds, and will hold, the Notes of the relevant Class blocked in the relevant Clearing System in accordance with the requirements of, and by the deadline required by, such Clearing System and it has submitted, or has caused to be submitted, an instruction to such Clearing System to authorise the blocking of the Notes of the relevant Class with effect on and from the date of such submission so that no transfers of such Notes may be effected until the earlier of (i) the conclusion of the relevant Meeting and any adjourned Meeting (if the Extraordinary Resolution is not passed); and (ii) the withdrawal of the Consent Instruction in accordance with the rights set out in “– *Revocation Rights*” all in accordance with the normal operating procedures of such Clearing System, and after taking into account the deadlines imposed by such Clearing System;
  - (l) it has full power and authority to deliver the Consent Instruction and give the relevant voting instruction in respect of the relevant Extraordinary Resolution;
  - (m) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Issuer, the Trustee, the Master Servicer, any of their respective directors, representatives, advisers or any person nominated by the Issuer, the Trustee or the Master Servicer in the proper exercise of his or her powers and/or authority hereunder;
  - (n) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Master Servicer to be desirable, in each case to perfect any of the authorities expressed to be given hereunder;
  - (o) it acknowledges that none of the Issuer, the Trustee, the Master Servicer, the Tabulation Agent and the Paying Agents or any of their respective affiliates, directors, advisers or employees has made any recommendation as to whether to vote on the Extraordinary Resolution and it represents that it has made its own decision with regard to voting on the Extraordinary Resolution based on any legal, tax or financial advice that it has deemed necessary to seek; and
  - (p) the terms and conditions of the Consent Solicitation Memorandum shall be deemed to be incorporated in, and form a part of, the Consent Instruction which shall be read and construed

accordingly and that the information given by or on behalf of such Noteholder in the Consent Instruction is true and will be true in all respects at the time of the Meeting.

*Additional Terms of the Consent Solicitation*

- (a) Save as otherwise provided herein, any notice or announcement given to a Noteholder in connection with the Consent Solicitation will be deemed to have been duly given if delivered to the Tabulation Agent for onward transmission to the Clearing Systems.
- (b) If any Consent Instruction or other communication (whether electronic or otherwise) addressed to the Issuer or the Tabulation Agent is communicated on behalf of a Noteholder (by an attorney-in-fact, custodian, trustee, administrator, director or officer of a corporation or any other person acting in a fiduciary or representative capacity) that fact must be indicated in the relevant communication, and a power of attorney or other form of authority, in a form satisfactory to the Issuer, must be delivered to the Tabulation Agent by the Expiration Deadline. Failure to submit such evidence as aforesaid may result in rejection of the acceptance. Neither the Issuer nor the Tabulation Agent shall have any responsibility to check the genuineness of any such power of attorney or other form of authority so delivered and may conclusively rely on, and shall be protected in acting in reliance upon, any such power of attorney or other form of authority.

*Responsibility for Delivery of Consent Instructions*

- (a) None of the Issuer, the Trustee, the Master Servicer, any Paying Agent or the Tabulation Agent will be responsible for the communication of Consent Instructions by:
  - (i) Beneficial Owners to the Noteholder through which they hold Notes;
  - (ii) the Noteholder to the relevant Clearing System; or
  - (iii) the Clearing Systems.
- (b) If a Beneficial Owner holds its Notes through another Noteholder, such Beneficial Owner should contact that Noteholder to discuss the manner in which transmission of the Consent Instruction may be made on its behalf.
- (c) In the event that the Noteholder through which a Beneficial Owner holds its Notes is unable to submit a Consent Instruction on its behalf, such Beneficial Owner should contact the Tabulation Agent for assistance.
- (d) Noteholders and Beneficial Owners are solely responsible for arranging the timely delivery of their Consent Instructions.
- (e) If a Beneficial Owner submits instructions in respect of its Notes through another Noteholder, such Beneficial Owner should consult with that Noteholder as to whether it will charge any service fees in connection with the participation in the Consent Solicitation.

*Validity of Consent Instructions for Adjourned Meetings*

Any Consent Instruction received by the Tabulation Agent before the Expiration Deadline (and which has not been revoked) will remain valid for the purposes of any adjourned Meeting.

*Irrevocability*

For the avoidance of doubt, the submission of a valid Consent Instruction in accordance with the procedures described above will be irrevocable unless revoked in the limited circumstances described in “ – Revocation Rights” below.

**Extension, Amendment and Termination**

Notwithstanding any other provision of the Consent Solicitation, the Issuer may, acting on the instructions of the Master Servicer, subject to applicable laws amend the applicable Early Consent Fee, the Late Consent Fee and/or the Early Voting Deadline.

No material amendment may be made later than 10.00 a.m. on the fourth Business Day before the Expiration Deadline.

The Master Servicer will instruct the Issuer to notify Noteholders of any such amendment or extension as soon as is reasonably practicable thereafter (and in any event not later than 10.00 a.m. on the second Business Day before the Expiration Deadline) by giving notice using the methods set out in “ – Announcements” above.

The Issuer, acting on the instructions of the Master Servicer acting in its sole discretion, also reserves the right to waive any or all of the conditions of the Consent Solicitation as set out in this Consent Solicitation Memorandum subject as set out above. The Issuer reserves the right, acting on the instructions of the Master Servicer acting in its sole discretion, to withdraw any or all of the Note Restructuring Proposals at any time before the relevant Meeting(s) (or any adjourned Meeting(s)) or to refrain from entering into the Global Deed of Amendment and Restatement even if the relevant Extraordinary Resolution is passed. In the event that any Note Restructuring Proposals are withdrawn, the relevant Meeting will still be held, but the Issuer will be under no obligation to enter into the Global Deed of Amendment and Restatement to give effect to the amendments contained in the Extraordinary Resolutions.

The Issuer also reserves the right, acting on the instructions of the Master Servicer acting in its sole discretion, at any time prior to the Expiration Deadline, to terminate the Consent Solicitation.

### **Revocation Rights**

If the Issuer, acting on the instructions of the Master Servicer, amends the applicable Early Consent Fee, the Late Consent Fee and/or the Early Voting Deadline in any way that, in the opinion of the Master Servicer (in consultation with the Trustee) is materially prejudicial to the interests of Noteholders that have already submitted Consent Instructions before the announcement of such amendment (which announcement shall include a statement whether in the opinion of the Master Servicer (following consultation with the Trustee) such amendment is materially prejudicial to the interests of such Noteholders), then such Consent Instructions may be revoked at any time from the date and time of such announcement until 4.00 p.m. on the second Business Day following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Noteholders hold their Notes).

The exercise of any such right of revocation will be effective for the purposes of revoking the instruction given by the relevant Noteholder for the appointment of one or more representatives of the Tabulation Agent as the relevant Noteholder's proxy to vote at the Meeting on such Noteholder's behalf, only if a valid instruction to revoke is received by the Tabulation Agent no later than 4.00 p.m. on the second Business Day following the announcement described in the paragraph above and in all cases 48 hours before the Meeting in accordance with the procedures set out in "*- Procedure for Voting - Revocation*" (above).

For the avoidance of doubt, any increase in the Early Consent Fee, and any extension of the Early Voting Deadline shall not be considered to be materially prejudicial.

Noteholders wishing to exercise any such right of revocation should do so in accordance with the procedures set out in "*- Procedure for Voting - Revocation*" above. Beneficial owners of Notes that are held through an intermediary are advised to check with such entity when it would require to receive instructions to revoke a Consent Instruction in order to meet the above deadline.

For the avoidance of doubt, any Noteholder may only exercise any such right of revocation in the circumstances and in the manner specified above.

### **Binding**

A valid Consent Instruction, upon receipt by the relevant Clearing System and the Tabulation Agent, will constitute a binding agreement between the relevant Noteholder and the Issuer in accordance with its terms and subject to the conditions, set forth in this Consent Solicitation Memorandum and the Consent Instruction.

### **Implementation**

If the Extraordinary Resolutions are duly passed the Note Restructuring Proposals will be implemented on the Effective Date following the satisfaction of the Note Restructuring Conditions.

### **Governing Law and Forum**

The Consent Solicitation, this Consent Solicitation Memorandum, any Consent Instruction, any instruction revoking a Consent Instruction, any form of proxy and all contracts resulting therefrom and any non-contractual obligation arising out of or in connection with any of them shall be governed by, and construed in accordance with, the laws of England.

Submission by, or on behalf of, a Noteholder of a Consent Instruction constitutes his or her agreement for the benefit of the Issuer, the Trustee, the Master Servicer, the Principal Paying Agent and the Tabulation

Agent in relation to all matters arising out of or in connection with the Consent Solicitation, this Consent Solicitation Memorandum, any Consent Instruction, any instruction revoking a Consent Instruction and all contracts resulting therefrom and any non-contractual obligation arising out of or in connection with any of them, to the exclusive jurisdiction of the courts of England.

## **TAX CONSEQUENCES**

In view of the number of different jurisdictions where tax laws may apply to a Noteholder, this Consent Solicitation Memorandum does not discuss the tax consequences to Noteholders of the Consent Solicitation or their receipt of the Early Consent Fee or the Late Consent Fee, if applicable. Noteholders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them. Noteholders are liable for their own taxes and have no recourse to the Issuer, the Tabulation Agent, the Trustee, the Master Servicer or the Paying Agents with respect to taxes arising in connection with the Consent Solicitation.

## RISK FACTORS AND OTHER CONSIDERATIONS

Before making a decision with respect to the Note Restructuring Proposals, Noteholders should carefully consider, in addition to the other information contained in this Consent Solicitation Memorandum, the risk factors and other considerations set out in the Prospectus issued by the Issuer in connection with the Notes on 3 May 2007 and the following:

### Conditionality of the Note Restructuring Proposals

In order for the Note Restructuring Proposals to be implemented, the consent of the Issuer is required. The Issuer will only give its consent to such Note Restructuring Proposals if it is approved by the Trustee who in turn will only give its consent to the Note Restructuring Proposals if it is approved by Extraordinary Resolutions of all of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders at separate Meetings.

It should be further noted that the implementation of the Note Restructuring Proposals are conditional upon the satisfaction of the Note Restructuring Conditions including:

- (a) the passing of each Extraordinary Resolution;
- (b) the passing of extraordinary resolutions by each class of notes issued by Theatre (Hospitals) No. 2 (the “**Theatre 2 Extraordinary Resolutions**”);
- (c) the execution of the Global Deed of Amendment and Restatement;
- (d) the occurrence of the Restructuring Effective Date (which is in turn subject to the conditions set out in “*Restructuring - The Restructuring – Propco Facility Agreement Amendment and Restatement Agreement*” above); and
- (e) the occurrence of the Effective Date.

If the Extraordinary Resolutions are passed by the Noteholders at the Meetings and all Note Restructuring Conditions are satisfied, it is intended that the Restructuring and the Note Restructuring Proposals will be implemented shortly thereafter.

Until the Issuer announces whether the Extraordinary Resolutions were passed and all Note Restructuring Conditions have been satisfied, no assurance can be given that the Note Restructuring Proposals will be implemented. Although it is anticipated that the Settlement Date will take place on or around 15 May 2015, the Settlement Date is subject to the occurrence of the satisfaction of the Note Restructuring Conditions and the Issuer will delay payment of the Early Consent Fee and the Late Consent Fee until such time as the Note Restructuring Conditions have either been satisfied or waived (as determined by the Issuer acting at the request of the Master Servicer).

### Interest Rate Swap Mark-to-Market

The Restructuring is dependent on the Existing Hedge Transactions being restructured into the New Hedge Transactions.

As described in “*Restructuring – The Restructuring – Restructuring of Existing Hedge Arrangements and Creation of Swap Term Loans*” above the Original Swap Term Loan Lender has committed, pursuant to the Global Restructuring Agreement and subject to satisfaction of relevant conditions precedent which largely mirror the Propco Facility Agreement Conditions Precedent, to provide the Swap Term Loans as at the Restructuring Effective Date in an amount equal to the Swap Term Loan Commitment Amount. However, the exact amount of the Existing Hedge Mark-to-Market is not determinable until immediately prior to the Restructuring Effective Date and therefore it is not known as at the date of this Consent Solicitation Memorandum whether the Swap Term Loan Commitment Amount will be greater than or equal to the amount that is necessary to be lent under the Swap Term Loan Facility Agreement so that the aggregate of the Swap Term Loans and the related New Hedge Mark-to-Market (excluding the Credit Spread and less the execution costs of the Execution Bank) will be sufficient to equal the Existing Hedge Mark-to-Market.

If the Swap Term Loan Commitment Amount is insufficient the Junior Co-Comm may request that certain Remedial Actions are taken to remedy such shortfall. However no assurance may be given that following the implementation of the Remedial Actions to their fullest extent that the aggregate of the Swap Term Loans and the related New Hedge Mark-to-Market (excluding the Credit Spread and less the execution costs of the Execution Bank) will be sufficient to equal the Existing Hedge Mark-to-Market. The Restructuring cannot be completed whilst there is such a shortfall and therefore the occurrence of the

Restructuring Effective Date and therefore the Effective Date is entirely dependent on the size of the Existing Hedge Mark-to-Market.

Based on the interest rates prevailing as at 9 April 2015 the mark-to-market under the Existing Hedge Documents, on an illustrative Restructuring Effective Date of 29 May 2015, is estimated at approximately £675 million. Based on these figures, if the Restructuring Effective Date were to occur on 29 May 2015, a combination of Remedial Actions (other than obtaining additional Swap Term Loan Lenders) would be required to ensure the principal amount of the Swap Term Loans is reduced to approximately £400 million and therefore smaller than the Swap Term Loan Commitment Amount. These figures are purely for illustrative purposes and no assurances can be given as to the mark-to-market under the Existing Hedge Documents on the Restructuring Effective Date or whether any Remedial Actions (if used) will be effective in reducing the principal amount of the Swap Term Loans to below the Swap Term Loan Commitment Amount.

### **Global Restructuring Agreement**

As set out above in “*Restructuring – Background - Global Restructuring Agreement*” the parties who have signed the Global Restructuring Agreement are obligated for so long as the Global Restructuring Agreement remains in force to vote in favour of/agree to the Restructuring and/or the Note Restructuring Proposals, as applicable. Not all parties who are required to implement the Restructuring and the Note Restructuring Proposals have, as of the date of this Consent Solicitation Memorandum, become a party to the Global Restructuring Agreement. The parties, other than the Master Servicer, who are required to execute the Global Deed of Amendment and Restatement have not executed the Global Restructuring Agreement. In addition none of the following parties, whose agreement is required to implement the Restructuring, have at the date of this Consent Solicitation Memorandum executed the Global Restructuring Agreement:

- (a) the Holdcos;
- (b) one of the Existing Hedge Counterparties;
- (c) Hospital Midco; and
- (d) Hospital Topco.

Whilst the Master Servicer anticipates that the parties listed in (a) to (d) above will become bound by the Global Restructuring Agreement, or otherwise agree to the steps required from them to implement the Restructuring, in due course following the date of this Consent Solicitation Memorandum there can be no assurances that they will do so.

The Global Restructuring Agreement, as amended by the Global Restructuring Agreement Amendment and Restatement Agreement, contains certain termination events including a Long Stop Date of 30 April 2015 that if triggered would cause the Global Restructuring Agreement to cease to be effective. If the Restructuring has not been implemented by 30 April 2015 then either all parties that are bound by the Global Restructuring Agreement will be required to amend the Long Stop Date or the Global Restructuring Agreement will terminate prior to the implementation of the Restructuring and the Note Restructuring Proposals. Whilst the Master Servicer anticipates that the parties that are bound by the Global Restructuring Agreement will agree to the an extension of the Long Stop Date shortly following the date of this Consent Solicitation Memorandum there can be no assurances that they will do so. For full details as to such termination events Noteholders are advised to review the Global Restructuring Agreement in the form available for inspection as set out in “*Additional Information – Documents available for inspection by Noteholders*”.

Should the Global Restructuring Agreement not be executed by the parties set out above or should the Global Restructuring Agreement cease to be effective in accordance with its terms there can be no assurance that the Restructuring or the Note Restructuring Proposals will be implemented.

### **Notes held through the Clearing Systems**

In relation to the delivery or revocation of electronic voting instructions or obtaining forms of proxy or otherwise making arrangements for the submission and revocation of Consent Instructions, in each case through the Clearing Systems, Noteholders holding Notes in Euroclear or Clearstream, Luxembourg should note the particular practice and policy of the relevant Clearing System, including any earlier deadlines set by such Clearing System.

### **Voting in respect of the Consent Solicitation**

A Noteholder should either deliver or procure delivery on its behalf of a valid Consent Instruction in respect of the relevant Extraordinary Resolution to the Tabulation Agent before the Early Voting Deadline or the Expiration Deadline in accordance with the terms of this Consent Solicitation Memorandum and not revoke its Consent Instruction. Only Direct Participants may validly deliver Consent Instructions. Noteholders who are not Direct Participants should arrange for the Direct Participant through which they hold their Notes to deliver a Consent Instruction on their behalf to the Tabulation Agent, as more particularly described above under “*The Consent Solicitation – Procedure for Voting*”.

Noteholders who have not delivered or arranged for the delivery of a Consent Instruction as provided above but who wish to attend and vote at the relevant Meeting or otherwise give voting instructions may do so by appointing a proxy or otherwise in accordance with the voting procedures set out in the relevant Notice and the Trust Deed. A Noteholder that attends a Meeting in person or makes any other arrangements to be represented at a Meeting will not be eligible for the Early Consent Fee or the Late Consent Fee.

#### **Early Consent Fee and Late Consent Fee**

Noteholders should note that the Early Consent Fee or the Late Consent Fee (as applicable) is only payable to a Noteholder who has either delivered or procured delivery on its behalf of a valid Consent Instruction in favour of the relevant Extraordinary Resolution in respect of the Consent Solicitation in accordance with the terms of this Consent Solicitation Memorandum and not revoked its Consent Instruction. In order to be eligible for the Early Consent Fee, the Consent Instruction must be received by the Tabulation Agent by the Early Voting Deadline, or, in order to be eligible for the Late Consent Fee, such Consent Instruction must be received after the Early Voting Deadline but prior to the Expiration Deadline.

Noteholders should note that the Early Consent Fee or the Late Consent Fee (as applicable) is payable only in the event that the Note Restructuring Conditions (see “*Note Restructuring Conditions*” below) are satisfied. See “*The Consent Solicitation – Early Consent Fee and Late Consent Fee*” for further details.

Only Direct Participants may deliver a valid Consent Instruction to the Tabulation Agent. To the extent that the beneficial owner of the relevant Notes is not a Direct Participant, the Early Consent Fee or Late Consent Fee (as applicable) will only be paid to the relevant Direct Participant and such payment to the Direct Participant will satisfy the obligations of the relevant Issuer in respect of the payment of the Early Consent Fee or the Late Consent Fee (as applicable).

#### **Amendment**

Subject to the terms set out in this Consent Solicitation Memorandum, the Issuer may, on the instructions of the Master Servicer acting in its sole discretion, amend the applicable Early Consent Fee, the Late Consent Fee and/or the Early Voting Deadline as provided in this Consent Solicitation Memorandum and, if it does so, Noteholders will have the rights contained in “*The Consent Solicitation – Revocation Rights*”.

#### **Blocking of Notes**

When considering whether to deliver a Consent Instruction, Noteholders should take into account that restrictions on the transfer of the relevant Class of Notes by Noteholders will apply from the time of submission of such Consent Instruction.

The submission of a Consent Instruction will constitute an instruction to block the relevant Noteholder’s Notes in the relevant Clearing System account from the date the Consent Instruction is submitted until the earlier of: (i) the conclusion of the Meeting and any adjourned Meeting (in the event that the Extraordinary Resolution is not passed at the initial meeting in respect of such Class) and (ii) the date on which the Consent Instruction is revoked (in the limited circumstances in which such revocation is permitted in accordance with the rights set out in “*The Consent Solicitation – Revocation Rights*”).

#### **Irrevocability of Consent Instructions**

Consent Instructions will be irrevocable except in the limited circumstances described in “*The Consent Solicitation – Revocation Rights*”.

#### **Extraordinary Resolutions Binding**

If the Extraordinary Resolution is passed in respect of each Class of Notes, Noteholders who have not voted in connection with the Consent Solicitation will be bound by the resolution.

**Responsibility to Consult Advisers**

Each Noteholder is responsible for assessing the merits of the Consent Solicitation. None of the Issuer, the Trustee, the Master Servicer, or the Tabulation Agent has made or will make any assessment of the merits of the Consent Solicitation or of the impact of the Consent Solicitation on the interests of holders either as a class or as individuals. Noteholders should therefore consult their own tax, accounting, financial and legal advisers regarding the suitability to them of the tax or accounting consequences of participating or declining to participate in the Consent Solicitation.

**Taxation**

This Consent Solicitation Memorandum does not address the tax consequences of the proposed Restructuring or the Note Restructuring Proposals, whether or not it is implemented. Noteholders who are in any doubt as to the tax position are encouraged to obtain specific tax advice by reference to their own particular or individual circumstances, in particular, Noteholders should consult their own independent advice regarding the tax implications of the receipt by them of the Early Consent Fee and/or the Late Consent Fee by reference to their own particular or individual circumstances.

**Special Servicing Event**

The Restructuring will not be completed by 15 April 2015 and therefore the Master Servicer anticipates that following the date of this Consent Solicitation Memorandum, but prior to 15 April 2015, the Loan Final Maturity Date will be extended to a date to be agreed to enable the Restructuring to be completed prior to any payment default on the Loan Final Maturity Date. If the Note Restructuring Proposals, and consequently the Restructuring, are not implemented it is unlikely that the Loan Final Maturity Date will be extended beyond the date that it is anticipated that the Loan Final Maturity Date shall be agreed to be extended to as discussed in the previous sentence. A non-payment by the Borrowers of the Propco Loans on the Loan Final Maturity Date will constitute a Loan Event of Default which will in turn constitute a Special Servicing Event. Pursuant to the terms of the Servicing Agreement, the Special Servicer must, if it has not already done so, within 10 Note Business Days of the occurrence of certain Loan Events of Default, including a non-payment by the Borrowers of the Propco Loans on the Loan Final Maturity Date, instruct the Borrower Security Trustee to take Loan Enforcement Action pursuant to the terms of the Finance Documents and the Intercreditor Agreements.

## NOTE RESTRUCTURING CONDITIONS

### Conditions to the payment of Early Consent Fees and Late Consent Fees

Payment of the relevant Early Consent Fees and Late Consent Fees in relation to each Class of Notes is subject to:

- (a) the passing of each Extraordinary Resolution;
- (b) the passing of the Theatre 2 Extraordinary Resolutions;
- (c) the execution of the Global Deed of Amendment and Restatement;
- (d) the occurrence of the Restructuring Effective Date (which is in turn subject to the conditions set out in “*Restructuring - The Restructuring – Propco Facility Agreement Amendment and Restatement Agreement*” above); and
- (e) the occurrence of the Effective Date,

(together, the “**Note Restructuring Conditions**”).

Payment of the relevant Early Consent Fees and Late Consent Fees in relation to each Class of Notes is also subject to any such payment being permissible in accordance with all applicable laws.

The Note Restructuring Conditions above are for the sole benefit of the Issuer and may be waived by the Issuer (at the direction of the Master Servicer) in whole or in part, at any time and from time to time, at its discretion. Any determination by the Master Servicer concerning the conditions set above (including whether or not such condition has been satisfied or waived) will be final and binding upon all parties.

## ADDITIONAL INFORMATION

### Notes outstanding

The following Notes remain outstanding at the date of this Consent Solicitation Memorandum:

Notes	Aggregate Principal Amount Outstanding (£)	Current ratings (S&P/Fitch)
Class A	207,218,628.43	BBB- (sf)/N/A
Class B	51,131,804.97	B+ (sf)/ N/A
Class C	48,445,355.58	B+ (sf)/B+
Class D	48,445,355.62	B (sf)/B

### Directors' interests

None of the directors of the Issuer has any interest in the Notes.

### Documents available for inspection by Noteholders

Copies of the following documents are available to Noteholders from the date of this Consent Solicitation Memorandum until the conclusion of the Meetings (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the execution draft of the Global Deed of Amendment and Restatement in the form it is intended it will be executed if the Extraordinary Resolutions are duly adopted;
- (b) the substantially final drafts of the following documents in relation to the Restructuring:
  - (i) the Restated Propco Facility Agreement;
  - (ii) the Restated Intercreditor Agreement;
  - (iii) the New Hedge Documents to be entered into by Barclays and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc;
  - (iv) the Swap Term Loan Facility Agreement; and
- (c) copies of the following existing documents:
  - (i) the Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Proposals);
  - (ii) the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information);
  - (iii) this Consent Solicitation Memorandum;
  - (iv) the Trust Deed;
  - (v) the Cash Management Agreement
  - (vi) the Agency Agreement;
  - (vii) the Liquidity Facility Agreement; and
  - (viii) the Master Definitions Schedule.

**ANNEX A - FORM OF NOTICES OF MEETING**

**PART 1: CLASS A NOTEHOLDERS**

**THEATRE (HOSPITALS) NO.1 PLC**

**NOTICE OF A MEETING**

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

**THEATRE (HOSPITALS) NO.1 PLC**

*(a public company with limited liability incorporated under the laws of England and Wales with registered number 06067193)*

(the “**Issuer**”)

**NOTICE OF MEETING**

**of the holders of the outstanding**

**£231,000,000 Class A Commercial Mortgage-Backed Floating Rate Notes due 2031** (ISIN: XS0290917227)

(the “**Notes**”)

of the Issuer

**NOTICE IS HEREBY GIVEN** that a meeting (the “**Meeting**”) of holders of the Notes (the “**Noteholders**”) convened by the Issuer will be held at Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG at 11.00 a.m., London time, on 5 May 2015 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as an Extraordinary Resolution in accordance with the provisions of the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the Noteholders, and constituting the Notes. Capitalised terms used but not defined in this Notice have the meanings given to them in the Trust Deed, the terms and conditions of the Notes set out in Schedule 3 to the Trust Deed (the “**Conditions**”) or the consent solicitation memorandum (the “**Consent Solicitation Memorandum**”) issued by the Issuer on 10 April 2015.

“**24 hours**” means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid.

**EXTRAORDINARY RESOLUTION**

“**THAT** this meeting of the holders of the outstanding £231,000,000 Class A Commercial Mortgage-Backed Floating Rate Notes due 2031 of Theatre (Hospitals) No. 1 PLC (the “**Notes**” and the “**Issuer**” respectively) constituted by the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the holders of the Notes (the “**Noteholders**”) hereby:

1. approves, authorises, consents, sanctions and assents to the Note Restructuring Proposals (as defined in the consent solicitation memorandum dated 10 April 2015 issued by the Issuer (the “**Consent Solicitation Memorandum**”)) and their implementation;
2. approves, authorises, consents, sanctions, empowers and directs the Issuer and the Trustee to:
  - (a) consent and/or confirm their agreement to the implementation of the Note Restructuring Proposals (in writing where necessary);

- (b) concur in and to execute and do all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Extraordinary Resolution and the implementation of the Note Restructuring Proposals (including, without limitation, by entry into and execution of the Global Deed of Amendment and Restatement (as defined in the Consent Solicitation Memorandum) substantially in the form of the draft produced to this Meeting and signed by the chairman of this Meeting (the “**Chairman**”) for the purpose of identification, with such minor or consequential amendments (if any) thereto as the Trustee may approve in order to give effect to the Note Restructuring Proposals) and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees (each as defined in the Consent Solicitation Memorandum)) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals; and
  - (c) concur with, consent to and, to the extent the Issuer and/or the Trustee is so able, to direct each of the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank and the Irish Paying Agent and each other party to the Global Deed of Amendment and Restatement to enter into the Global Deed of Amendment and Restatement and implement the Note Restructuring Proposals and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals;
- 3. waives for the purposes of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents any imperfection or non-compliance with the provisions of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents in the manner of delivery of any instruction, authorisation, notice or direction from the Issuer, the Trustee or the Master Servicer pursuant to the Servicing Agreement;
- 4. sanctions every abrogation, modification or compromise of, or arrangement in respect of, the rights of the Noteholders appertaining to the Notes against the Issuer, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications referred to in paragraphs 1 and 2 of this Extraordinary Resolution and their implementation;
- 5. discharges and exonerates the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers from any and all liabilities in respect of any act or omission in connection with the Trust Deed, the Notes, the Conditions or any of the Issuer Transaction Documents (as from time to time modified in accordance with the provisions therein contained) or otherwise arising from or in connection with this Extraordinary Resolution or the implementation of the Extraordinary Resolution or the Note Restructuring Proposals (including, without limitation, any amendments agreed by any party to any of the documents for the purposes of implementing this Extraordinary Resolution or the Note Restructuring Proposals);
- 6. sanctions the passing of the extraordinary resolutions of the holders of the Class B Notes as set out in the Notice to the Class B Noteholders dated the same date as the notice convening this Meeting;
- 7. sanctions the passing of the extraordinary resolutions of the holders of the Class C Notes as set out in the Notice to the Class C Noteholders dated the same date as the notice convening this Meeting;
- 8. sanctions the passing of the extraordinary resolutions of the holders of the Class D Notes as set out in the Notice to the Class D Noteholders dated the same date as the notice convening this Meeting;

9. sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Trustee against the Issuer, whether or not such rights arise under the Trust Deed or any other Issuer Transaction Document, involved in or resulting from or to be effected by, the Note Restructuring Proposal or this Extraordinary Resolution or their implementation;
10. authorises the Trustee and the Issuer not to obtain any legal opinions in relation to, or to make any investigation or enquiry into, the power and capacity of any person to enter into any document referred to in this Extraordinary Resolution, or the due execution and delivery thereof by any party thereto or the validity or enforceability thereof and agrees that neither the Trustee nor the Issuer shall be liable to any Noteholder for the failure to do so or for any consequences thereof;
11. agrees that neither the Issuer nor the Trustee shall (i) have any liability with regards to; or (ii) be responsible for acting upon this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason the Extraordinary Resolution is not valid or binding on the Noteholders;
12. agrees that the terms of this Extraordinary Resolution have not been formulated by the Issuer or the Trustee who expresses no view on them;
13. agrees that nothing in this Extraordinary Resolution should be construed as a recommendation to the Noteholder from the Issuer, the Trustee or the Master Servicer to either approve or reject the Extraordinary Resolution proposed;
14. confirms that it has formed its own view in relation to the actions arising out of this Extraordinary Resolution without any reliance on the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers; and
15. agrees that none of the Issuer, the Trustee or the Master Servicer is responsible for the accuracy, completeness, validity or correctness of the statements made and documents referred to in this Extraordinary Resolution or any omissions from this Extraordinary Resolution.”

## **BACKGROUND**

The Issuer on the request of the Master Servicer has convened the Meeting for the purpose of enabling Noteholders to consider and resolve, if they think fit, to pass this Extraordinary Resolution proposed in relation to the Notes.

The Extraordinary Resolution is being put to Class A Noteholders for the reasons set out in the Consent Solicitation Memorandum.

**Class A Noteholders are referred to the Consent Solicitation Memorandum which provides further background to, the full reasons for, and further implications of, the Note Restructuring Proposals.**

None of the directors of the Issuer has any interest in the Notes.

### **Documents available for inspection**

Copies of the following documents are available to Noteholders from the date of this Notice until the conclusion of the Meetings, (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the execution draft of the Global Deed of Amendment and Restatement in the form it is intended it will be executed if the Extraordinary Resolutions are duly adopted;
- (b) the substantially final drafts of the following documents in relation to the Restructuring:
  - (i) the Restated Propco Facility Agreement;
  - (ii) the Restated Intercreditor Agreement;
  - (iii) the New Hedge Documents to be entered into by Barclays and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc;

- (iv) the Swap Term Loan Facility Agreement; and
- (c) copies of the following existing documents:
  - (i) the Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Proposals);
  - (ii) the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information);
  - (iii) the Consent Solicitation Memorandum;
  - (iv) the Trust Deed;
  - (v) the Cash Management Agreement
  - (vi) the Agency Agreement;
  - (vii) the Liquidity Facility Agreement; and
  - (viii) the Master Definitions Schedule.

*In accordance with normal practice, neither the Issuer nor the Trustee (or any of their respective advisers) has been involved in the formulation of the Restructuring or the Note Restructuring Proposals or has verified the information contained in any part of the Consent Solicitation Memorandum. Further, none of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) expresses any opinion as to the purpose or merits of the Restructuring or the Note Restructuring Proposals or as to the action Noteholders should take in relation to them and each person receiving this Consent Solicitation Memorandum acknowledges that such person has not relied upon none of the Issuer, the Trustee and the Master Servicer in connection with its decision on how to vote in relation to the Extraordinary Resolution. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) makes any representation regarding the accuracy, sufficiency, relevance or otherwise of any information contained in the Consent Solicitation Memorandum or otherwise disclosed or to be disclosed to Noteholders in connection with the Restructuring or the Note Restructuring Proposals. The summary descriptions set out in the section "Restructuring" in the Consent Solicitation Memorandum have been provided to the Issuer by the Master Servicer and represent, to the best knowledge of the Master Servicer, the material amendments to be made to the Finance Documents and other agreements to be entered into as part of the Restructuring and are being provided as background information to Noteholders to assist their determination of whether to approve the Note Restructuring Proposals. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) accepts any liability in relation to the Restructuring, the Note Restructuring Proposals or the matters set out in the Consent Solicitation Memorandum.*

*Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate and each Noteholder must make its own decision as to whether to consent to the proposal. The Principal Paying Agent and the Irish Paying Agent are the agents of the Issuer and owe no duty to any Noteholder.*

#### **GENERAL**

Copies of the Trust Deed and this Notice are also available for inspection by Noteholders (a) on and from the date of this Notice up to and including the date of the Meeting, at the specified offices of the Paying Agents during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the Meeting; and (b) at the Meeting and at the offices of Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG for 15 minutes before the Meeting.

The attention of Noteholders is particularly drawn to the procedures for voting, quorum and other requirements for the passing of this Extraordinary Resolution at the Meeting or any meeting held following any adjournment of the Meeting, which are set out below. This is not intended to be an exhaustive list. Having regard to such requirements, Noteholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting.

The provisions governing the convening and holding of a meeting of the Noteholders are set out in Schedule 4 to the Trust Deed, a copy of which is available for inspection by the Noteholders as set out above.

## VOTING

A Noteholder may require the issue by a Paying Agent of Voting Certificates and Block Voting Instructions in accordance with the terms below. The holder of any Voting Certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the relevant meeting be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates and the Clearing System in which such Notes have been blocked shall be deemed for such purposes not to be the holder of those Notes.

### *Voting Certificate*

- (a) A holder of a Note (not being a Note in respect of which instructions have been given to the Principal Paying Agent in accordance with the section headed "Block Voting Instruction" below) wishing to attend in person and vote at the meeting (or any adjourned meeting) may procure the delivery of a Voting Certificate in respect of such Note by direction through the Clearing Systems via the Tabulation Agent to the Principal Paying Agent specifying by name a person (an "**Identified Person**") (which need not be the holder himself) to collect the Voting Certificate and attend and vote at the meeting.
- (b) The relevant Voting Certificate will be made available at or shortly prior to the commencement of the meeting by the Principal Paying Agent against presentation by such Identified Person of the form of identification previously notified by such holder to the Principal Paying Agent and the Trustee. The Principal Paying Agent and the Trustee may prescribe forms of identification (including, without limitation, a passport or driving licence) which it deems appropriate for these purposes.
- (c) Subject to receipt by the Principal Paying Agent from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes to be represented by any such Voting Certificate and the form of identification against presentation of which such Voting Certificate should be released, the Principal Paying Agent shall, without any obligation to make further enquiry, make available a Voting Certificate against presentation of the form of identification corresponding to that notified.

### *Block Voting Instruction*

- (a) A holder of a Note (not being a Note in respect of which a Voting Certificate has been issued) may require the Principal Paying Agent to issue a Block Voting Instruction in respect of such Note by way of a Consent Instruction via the Tabulation Agent to the Principal Paying Agent to procure that the votes attributable to such Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting.
- (b) Any such instruction shall be given in accordance with the rules of the Clearing System then in effect. Subject to receipt by the Principal Paying Agent of instructions from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes in respect of which instructions have been given and the manner in which the votes attributable to such Notes should be cast, the Principal Paying Agent shall, without any obligation to make further enquiry, appoint a proxy to the Tabulation Agent to attend the meeting and cast votes in accordance with such instructions.
- (c) At least 24 hours before the time appointed for holding the Meeting (or, if applicable, any adjourned such Meeting) at which the proxy or proxies named in the Block Voting Instruction proposes to vote, each Block Voting Instruction, together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the Principal Paying Agent, shall be deposited by the Principal Paying Agent with the person and place approved for this purpose by the Trustee. In default, the Block Voting Instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting proceeds to business.

## QUORUM

- (a) The quorum for passing this Extraordinary Resolution shall be one or more Eligible Persons present and representing not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes for the time being outstanding.
- (b) If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction

of any particular business, then, subject and without prejudice to the transaction of the business for which a quorum is present, it shall stand adjourned for such period, being not less than 13 Clear Days nor more than 42 Clear Days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee.

- (c) The quorum at such adjourned Meeting shall be one or more Eligible Persons present holding or representing in the aggregate not less than 33 per cent. in aggregate Principal Amount Outstanding of the Notes then outstanding. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Issuer and the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 Clear Days (but without any maximum number of Clear Days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings.
- (d) Voting certificates and Block Voting Instructions obtained in respect of the meeting shall remain valid for any such adjourned meeting.

**Noteholders should note these quorum requirements and should be aware that, if the Noteholders either present or appropriately represented at the meeting are insufficient to form a quorum for this Extraordinary Resolution, such Extraordinary Resolution cannot be formally considered thereat. Noteholders are therefore encouraged either to attend the meeting in person or to arrange to be represented at the meeting as soon as possible.**

#### **CONDUCT OF BUSINESS AT MEETINGS**

- (a) Every question submitted to the meeting will be decided on a show of hands unless a poll is duly demanded, *inter alia*, by the Chairman of the meeting, the Issuer, the Trustee or any Eligible Person present holding a Voting Certificate or being a proxy (whatever the Principal Amount Outstanding of the Notes so represented by him).
- (b) On a show of hands every Eligible Person present shall have one vote. On a poll every Eligible Person who is so present shall have one vote in respect of each £1 in Principal Amount Outstanding of the Notes so produced, or in respect of which he is a proxy or representative.
- (c) To be passed at the meeting, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the Eligible Persons voting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll.
- (d) If the Extraordinary Resolution is passed, it will be binding upon all the Noteholders, whether or not present at such Meeting and whether or not voting. The passing of such Extraordinary Resolution shall be conclusive evidence that the circumstances justify the passing thereof.
- (e) An Extraordinary Resolution passed at the meeting of the Class A Noteholders shall be binding on the Class B Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.
- (f) An Extraordinary Resolution passed at the meeting of the Class B Noteholders shall be binding on the Class A Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class C Noteholders and the Class D Noteholders.
- (g) An Extraordinary Resolution passed at the meeting of the Class C Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class D Noteholders.
- (h) An Extraordinary Resolution passed at the meeting of the Class D Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class C Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

**THIS NOTICE IS GIVEN BY THEATRE (HOSPITALS) NO.1 PLC.**

If Noteholders have any questions regarding voting in relation to the Extraordinary Resolutions, they should contact the Tabulation Agent, the contact details for whom are:

Lucid Issuer Services Limited  
Leroy House  
436 Essex Road  
London N1 3QP

Contact: Victor Parzyjagla / Thomas Choquet  
Phone: +44 20 7704 0880  
Email: [theatre@lucid-is.com](mailto:theatre@lucid-is.com)

If Noteholders have any questions regarding the commercial aspects of the Restructuring, the Note Restructuring Proposals or the Extraordinary Resolutions, they should contact:

(a) the Master Servicer, the contact details for whom are:

Capita Asset Services (UK) Limited  
40 Dukes Place  
London EC3A 7NH

Contact: Serenity Morley  
Phone: +44 207 393 6227  
Email: [serenity.morley@capitaassetservices.co.uk](mailto:serenity.morley@capitaassetservices.co.uk); or

(b) the financial adviser to the Master Servicer, the contact details for whom are:

Lazard  
50 Stratton Street  
London, W1J 8LL

Contact: Kai Hoffman  
Phone: +44 20 7187 2073  
Email: [kai.hoffman@lazard.com](mailto:kai.hoffman@lazard.com)

DATED: 10 April 2015

**PART 2: CLASS B NOTEHOLDERS**  
**THEATRE (HOSPITALS) NO.1 PLC**  
**NOTICE OF A MEETING**

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

**THEATRE (HOSPITALS) NO.1 PLC**

*(a public company with limited liability incorporated under the laws of England and Wales with registered number 06067193)*

(the “**Issuer**”)

**NOTICE OF MEETING**

**of the holders of the outstanding**

**£57,000,000 Class B Commercial Mortgage-Backed Floating Rate Notes due 2031** (ISIN: XS0275389756)

(the “**Notes**”)

of the Issuer

**NOTICE IS HEREBY GIVEN** that a meeting (the “**Meeting**”) of holders of the Notes (the “**Noteholders**”) convened by the Issuer will be held at Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG at 11.10 a.m., London time (or, if later, immediately following the conclusion of the meeting of the holders of the Class A Notes) on 5 May 2015 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as an Extraordinary Resolution in accordance with the provisions of the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the Noteholders, and constituting the Notes. Capitalised terms used but not defined in this Notice have the meanings given to them in the Trust Deed, the terms and conditions of the Notes set out in Schedule 3 to the Trust Deed (the “**Conditions**”) or the consent solicitation memorandum (the “**Consent Solicitation Memorandum**”) issued by the Issuer on 10 April 2015.

“**24 hours**” means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid.

**EXTRAORDINARY RESOLUTION**

“**THAT** this meeting of the holders of the outstanding £57,000,000 Class B Commercial Mortgage-Backed Floating Rate Notes due 2031 of Theatre (Hospitals) No. 1 PLC (the “**Notes**” and the “**Issuer**” respectively) constituted by the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the holders of the Notes (the “**Noteholders**”) hereby:

1. approves, authorises, consents, sanctions and assents to the Note Restructuring Proposals (as defined in the consent solicitation memorandum dated 10 April 2015 issued by the Issuer (the “**Consent Solicitation Memorandum**”)) and their implementation;
2. approves, authorises, consents, sanctions, empowers and directs the Issuer and the Trustee to:
  - (a) consent and/or confirm their agreement to the implementation of the Note Restructuring Proposals (in writing where necessary);

- (b) concur in and to execute and do all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Extraordinary Resolution and the implementation of the Note Restructuring Proposals (including, without limitation, by entry into and execution of the Global Deed of Amendment and Restatement (as defined in the Consent Solicitation Memorandum) substantially in the form of the draft produced to this Meeting and signed by the chairman of this Meeting (the “**Chairman**”) for the purpose of identification, with such minor or consequential amendments (if any) thereto as the Trustee may approve in order to give effect to the Note Restructuring Proposals) and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees (each as defined in the Consent Solicitation Memorandum)) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals; and
  - (c) concur with, consent to and, to the extent the Issuer and/or the Trustee is so able, to direct each of the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank and the Irish Paying Agent and each other party to the Global Deed of Amendment and Restatement to enter into the Global Deed of Amendment and Restatement and implement the Note Restructuring Proposals and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals;
- 3. waives for the purposes of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents any imperfection or non-compliance with the provisions of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents in the manner of delivery of any instruction, authorisation, notice or direction from the Issuer, the Trustee or the Master Servicer pursuant to the Servicing Agreement;
- 4. sanctions every abrogation, modification or compromise of, or arrangement in respect of, the rights of the Noteholders appertaining to the Notes against the Issuer, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications referred to in paragraphs 1 and 2 of this Extraordinary Resolution and their implementation;
- 5. discharges and exonerates the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers from any and all liabilities in respect of any act or omission in connection with the Trust Deed, the Notes, the Conditions or any of the Issuer Transaction Documents (as from time to time modified in accordance with the provisions therein contained) or otherwise arising from or in connection with this Extraordinary Resolution or the implementation of the Extraordinary Resolution or the Note Restructuring Proposals (including, without limitation, any amendments agreed by any party to any of the documents for the purposes of implementing this Extraordinary Resolution or the Note Restructuring Proposals);
- 6. sanctions the passing of the extraordinary resolutions of the holders of the Class A Notes as set out in the Notice to the Class A Noteholders dated the same date as the notice convening this Meeting;
- 7. sanctions the passing of the extraordinary resolutions of the holders of the Class C Notes as set out in the Notice to the Class C Noteholders dated the same date as the notice convening this Meeting;
- 8. sanctions the passing of the extraordinary resolutions of the holders of the Class D Notes as set out in the Notice to the Class D Noteholders dated the same date as the notice convening this Meeting;

9. sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Trustee against the Issuer, whether or not such rights arise under the Trust Deed or any other Issuer Transaction Document, involved in or resulting from or to be effected by, the Note Restructuring Proposals or this Extraordinary Resolution or their implementation;
10. authorises the Trustee and the Issuer not to obtain any legal opinions in relation to, or to make any investigation or enquiry into, the power and capacity of any person to enter into any document referred to in this Extraordinary Resolution, or the due execution and delivery thereof by any party thereto or the validity or enforceability thereof and agrees that neither the Trustee nor the Issuer shall be liable to any Noteholder for the failure to do so or for any consequences thereof;
11. agrees that neither the Issuer nor the Trustee shall (i) have any liability with regards to; or (ii) be responsible for acting upon this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason the Extraordinary Resolution is not valid or binding on the Noteholders;
12. agrees that the terms of this Extraordinary Resolution have not been formulated by the Issuer or the Trustee who expresses no view on them;
13. agrees that nothing in this Extraordinary Resolution should be construed as a recommendation to the Noteholder from the Issuer, the Trustee or the Master Servicer to either approve or reject the Extraordinary Resolution proposed;
14. confirms that it has formed its own view in relation to the actions arising out of this Extraordinary Resolution without any reliance on the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers; and
15. agrees that none of the Issuer, the Trustee or the Master Servicer is responsible for the accuracy, completeness, validity or correctness of the statements made and documents referred to in this Extraordinary Resolution or any omissions from this Extraordinary Resolution.”

**BACKGROUND**

The Issuer on the request of the Master Servicer has convened the Meeting for the purpose of enabling Noteholders to consider and resolve, if they think fit, to pass this Extraordinary Resolution proposed in relation to the Notes.

The Extraordinary Resolution is being put to Class B Noteholders for the reasons set out in the Consent Solicitation Memorandum.

**Class B Noteholders are referred to the Consent Solicitation Memorandum which provides further background to, the full reasons for, and further implications of, the Note Restructuring Proposals.**

None of the directors of the Issuer has any interest in the Notes.

**Documents available for inspection**

Copies of the following documents are available to Noteholders from the date of this Notice until the conclusion of the Meetings, (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the execution draft of the Global Deed of Amendment and Restatement in the form it is intended it will be executed if the Extraordinary Resolutions are duly adopted;
- (b) the substantially final drafts of the following documents in relation to the Restructuring:
  - (i) the Restated Propco Facility Agreement;
  - (ii) the Restated Intercreditor Agreement;
  - (iii) the New Hedge Documents to be entered into by Barclays and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc;

- (iv) the Swap Term Loan Facility Agreement; and
- (c) copies of the following existing documents:
  - (i) the Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Proposals);
  - (ii) the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information);
  - (iii) the Consent Solicitation Memorandum;
  - (iv) the Trust Deed;
  - (v) the Cash Management Agreement
  - (vi) the Agency Agreement;
  - (vii) the Liquidity Facility Agreement; and
  - (viii) the Master Definitions Schedule.

*In accordance with normal practice, neither the Issuer nor the Trustee (or any of their respective advisers) has been involved in the formulation of the Restructuring or the Note Restructuring Proposals or has verified the information contained in any part of the Consent Solicitation Memorandum. Further, none of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) expresses any opinion as to the purpose or merits of the Restructuring or the Note Restructuring Proposals or as to the action Noteholders should take in relation to them and each person receiving this Consent Solicitation Memorandum acknowledges that such person has not relied upon none of the Issuer, the Trustee and the Master Servicer in connection with its decision on how to vote in relation to the Extraordinary Resolution. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) makes any representation regarding the accuracy, sufficiency, relevance or otherwise of any information contained in the Consent Solicitation Memorandum or otherwise disclosed or to be disclosed to Noteholders in connection with the Restructuring or the Note Restructuring Proposals. The summary descriptions set out in the section "Restructuring" in the Consent Solicitation Memorandum have been provided to the Issuer by the Master Servicer and represent, to the best knowledge of the Master Servicer, the material amendments to be made to the Finance Documents and other agreements to be entered into as part of the Restructuring and are being provided as background information to Noteholders to assist their determination of whether to approve the Note Restructuring Proposals. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) accepts any liability in relation to the Restructuring, the Note Restructuring Proposals or the matters set out in the Consent Solicitation Memorandum.*

*Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate and each Noteholder must make its own decision as to whether to consent to the proposal. The Principal Paying Agent and the Irish Paying Agent are the agents of the Issuer and owe no duty to any Noteholder.*

#### **GENERAL**

Copies of the Trust Deed and this Notice are also available for inspection by Noteholders (a) on and from the date of this Notice up to and including the date of the Meeting, at the specified offices of the Paying Agents during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the Meeting; and (b) at the Meeting and at the offices of Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG for 15 minutes before the Meeting.

The attention of Noteholders is particularly drawn to the procedures for voting, quorum and other requirements for the passing of this Extraordinary Resolution at the Meeting or any meeting held following any adjournment of the Meeting, which are set out below. This is not intended to be an exhaustive list. Having regard to such requirements, Noteholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting.

The provisions governing the convening and holding of a meeting of the Noteholders are set out in Schedule 4 to the Trust Deed, a copy of which is available for inspection by the Noteholders as set out above.

## VOTING

A Noteholder may require the issue by a Paying Agent of Voting Certificates and Block Voting Instructions in accordance with the terms below. The holder of any Voting Certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the relevant meeting be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates and the Clearing System in which such Notes have been blocked shall be deemed for such purposes not to be the holder of those Notes.

### *Voting Certificate*

- (a) A holder of a Note (not being a Note in respect of which instructions have been given to the Principal Paying Agent in accordance with the section headed "Block Voting Instruction" below) wishing to attend in person and vote at the meeting (or any adjourned meeting) may procure the delivery of a Voting Certificate in respect of such Note by direction through the Clearing Systems via the Tabulation Agent to the Principal Paying Agent specifying by name a person (an "**Identified Person**") (which need not be the holder himself) to collect the Voting Certificate and attend and vote at the meeting.
- (b) The relevant Voting Certificate will be made available at or shortly prior to the commencement of the meeting by the Principal Paying Agent against presentation by such Identified Person of the form of identification previously notified by such holder to the Principal Paying Agent and the Trustee. The Principal Paying Agent and the Trustee may prescribe forms of identification (including, without limitation, a passport or driving licence) which it deems appropriate for these purposes.
- (c) Subject to receipt by the Principal Paying Agent from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes to be represented by any such Voting Certificate and the form of identification against presentation of which such Voting Certificate should be released, the Principal Paying Agent shall, without any obligation to make further enquiry, make available a Voting Certificate against presentation of the form of identification corresponding to that notified.

### *Block Voting Instruction*

- (a) A holder of a Note (not being a Note in respect of which a Voting Certificate has been issued) may require the Principal Paying Agent to issue a Block Voting Instruction in respect of such Note by way of a Consent Instruction via the Tabulation Agent to the Principal Paying Agent to procure that the votes attributable to such Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting.
- (b) Any such instruction shall be given in accordance with the rules of the Clearing System then in effect. Subject to receipt by the Principal Paying Agent of instructions from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes in respect of which instructions have been given and the manner in which the votes attributable to such Notes should be cast, the Principal Paying Agent shall, without any obligation to make further enquiry, appoint a proxy to the Tabulation Agent to attend the meeting and cast votes in accordance with such instructions.
- (c) At least 24 hours before the time appointed for holding the Meeting (or, if applicable, any adjourned such Meeting) at which the proxy or proxies named in the Block Voting Instruction proposes to vote, each Block Voting Instruction, together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the Principal Paying Agent, shall be deposited by the Principal Paying Agent with the person and place approved for this purpose by the Trustee. In default, the Block Voting Instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting proceeds to business.

## QUORUM

- (a) The quorum for passing this Extraordinary Resolution shall be one or more Eligible Persons present and representing not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes for the time being outstanding.
- (b) If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction

of any particular business, then, subject and without prejudice to the transaction of the business for which a quorum is present, it shall stand adjourned for such period, being not less than 13 Clear Days nor more than 42 Clear Days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee.

- (c) The quorum at such adjourned Meeting shall be one or more Eligible Persons present holding or representing in the aggregate not less than 33 per cent. in aggregate Principal Amount Outstanding of the Notes then outstanding. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Issuer and the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 Clear Days (but without any maximum number of Clear Days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings.
- (d) Voting certificates and Block Voting Instructions obtained in respect of the meeting shall remain valid for any such adjourned meeting.

**Noteholders should note these quorum requirements and should be aware that, if the Noteholders either present or appropriately represented at the meeting are insufficient to form a quorum for this Extraordinary Resolution, such Extraordinary Resolution cannot be formally considered thereat. Noteholders are therefore encouraged either to attend the meeting in person or to arrange to be represented at the meeting as soon as possible.**

#### **CONDUCT OF BUSINESS AT MEETINGS**

- (a) Every question submitted to the meeting will be decided on a show of hands unless a poll is duly demanded, inter alia, by the Chairman of the meeting, the Issuer, the Trustee or any Eligible Person present holding a Voting Certificate or being a proxy (whatever the Principal Amount Outstanding of the Notes so represented by him).
- (b) On a show of hands every Eligible Person present shall have one vote. On a poll every Eligible Person who is so present shall have one vote in respect of each £1 in Principal Amount Outstanding of the Notes so produced, or in respect of which he is a proxy or representative.
- (c) To be passed at the meeting, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the Eligible Persons voting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll.
- (d) If the Extraordinary Resolution is passed, it will be binding upon all the Noteholders, whether or not present at such Meeting and whether or not voting. The passing of such Extraordinary Resolution shall be conclusive evidence that the circumstances justify the passing thereof.
- (e) An Extraordinary Resolution passed at the meeting of the Class A Noteholders shall be binding on the Class B Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.
- (f) An Extraordinary Resolution passed at the meeting of the Class B Noteholders shall be binding on the Class A Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class C Noteholders and the Class D Noteholders.
- (g) An Extraordinary Resolution passed at the meeting of the Class C Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class D Noteholders.
- (h) An Extraordinary Resolution passed at the meeting of the Class D Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class C Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

**THIS NOTICE IS GIVEN BY THEATRE (HOSPITALS) NO.1 PLC.**

If Noteholders have any questions regarding voting in relation to the Extraordinary Resolutions, they should contact the Tabulation Agent, the contact details for whom are:

Lucid Issuer Services Limited  
Leroy House  
436 Essex Road  
London N1 3QP

Contact: Victor Parzyjagla / Thomas Choquet  
Phone: +44 20 7704 0880  
Email: [theatre@lucid-is.com](mailto:theatre@lucid-is.com)

If Noteholders have any questions regarding the commercial aspects of the Restructuring, the Note Restructuring Proposals or the Extraordinary Resolutions, they should contact:

(a) the Master Servicer, the contact details for whom are:

Capita Asset Services (UK) Limited  
40 Dukes Place  
London EC3A 7NH

Contact: Serenity Morley  
Phone: +44 207 393 6227  
Email: [serenity.morley@capitaassetservices.co.uk](mailto:serenity.morley@capitaassetservices.co.uk); or

(b) the financial adviser to the Master Servicer, the contact details for whom are:

Lazard  
50 Stratton Street  
London, W1J 8LL

Contact: Kai Hoffman  
Phone: +44 20 7187 2073  
Email: [kai.hoffman@lazard.com](mailto:kai.hoffman@lazard.com)

DATED: 10 April 2015

**PART 3: CLASS C NOTEHOLDERS**  
**THEATRE (HOSPITALS) NO.1 PLC**  
**NOTICE OF A MEETING**

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

**THEATRE (HOSPITALS) NO.1 PLC**

*(a public company with limited liability incorporated under the laws of England and Wales with registered number 06067193)*

(the “**Issuer**”)

**NOTICE OF MEETING**

**of the holders of the outstanding**

**£54,000,000 Class C Commercial Mortgage-Backed Floating Rate Notes due 2031** (ISIN: XS0294355028)

(the “**Notes**”)

of the Issuer

**NOTICE IS HEREBY GIVEN** that a meeting (the “**Meeting**”) of holders of the Notes (the “**Noteholders**”) convened by the Issuer will be held at Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG at 11.20 a.m., London time (or, if later, immediately following the conclusion of the meeting of the holders of the Class B Notes), on 5 May 2015 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as an Extraordinary Resolution in accordance with the provisions of the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the Noteholders, and constituting the Notes. Capitalised terms used but not defined in this Notice have the meanings given to them in the Trust Deed, the terms and conditions of the Notes set out in Schedule 3 to the Trust Deed (the “**Conditions**”) or the consent solicitation memorandum (the “**Consent Solicitation Memorandum**”) issued by the Issuer on 10 March 2015.

“**24 hours**” means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid.

**EXTRAORDINARY RESOLUTION**

“**THAT** this meeting of the holders of the outstanding £54,000,000 Class C Commercial Mortgage-Backed Floating Rate Notes due 2031 of Theatre (Hospitals) No. 1 PLC (the “**Notes**” and the “**Issuer**” respectively) constituted by the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the holders of the Notes (the “**Noteholders**”) hereby:

1. approves, authorises, consents, sanctions and assents to the Note Restructuring Proposals (as defined in the consent solicitation memorandum dated 10 April 2015 issued by the Issuer (the “**Consent Solicitation Memorandum**”)) and their implementation;
2. approves, authorises, consents, sanctions, empowers and directs the Issuer and the Trustee to:
  - (a) consent and/or confirm their agreement to the implementation of the Note Restructuring Proposals (in writing where necessary);

- (b) concur in and to execute and do all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Extraordinary Resolution and the implementation of the Note Restructuring Proposals (including, without limitation, by entry into and execution of the Global Deed of Amendment and Restatement (as defined in the Consent Solicitation Memorandum) substantially in the form of the draft produced to this Meeting and signed by the chairman of this Meeting (the “**Chairman**”) for the purpose of identification, with such minor or consequential amendments (if any) thereto as the Trustee may approve in order to give effect to the Note Restructuring Proposals) and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees (each as defined in the Consent Solicitation Memorandum)) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals; and
  - (c) concur with, consent to and, to the extent the Issuer and/or the Trustee is so able, to direct each of the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank and the Irish Paying Agent and each other party to the Global Deed of Amendment and Restatement to enter into the Global Deed of Amendment and Restatement and implement the Note Restructuring Proposals and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals;
- 3. waives for the purposes of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents any imperfection or non-compliance with the provisions of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents in the manner of delivery of any instruction, authorisation, notice or direction from the Issuer, the Trustee or the Master Servicer pursuant to the Servicing Agreement;
- 4. sanctions every abrogation, modification or compromise of, or arrangement in respect of, the rights of the Noteholders appertaining to the Notes against the Issuer, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications referred to in paragraphs 1 and 2 of this Extraordinary Resolution and their implementation;
- 5. discharges and exonerates the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers from any and all liabilities in respect of any act or omission in connection with the Trust Deed, the Notes, the Conditions or any of the Issuer Transaction Documents (as from time to time modified in accordance with the provisions therein contained) or otherwise arising from or in connection with this Extraordinary Resolution or the implementation of the Extraordinary Resolution or the Note Restructuring Proposals (including, without limitation, any amendments agreed by any party to any of the documents for the purposes of implementing this Extraordinary Resolution or the Note Restructuring Proposals);
- 6. sanctions the passing of the extraordinary resolutions of the holders of the Class A Notes as set out in the Notice to the Class A Noteholders dated the same date as the notice convening this Meeting;
- 7. sanctions the passing of the extraordinary resolutions of the holders of the Class B Notes as set out in the Notice to the Class B Noteholders dated the same date as the notice convening this Meeting;
- 8. sanctions the passing of the extraordinary resolutions of the holders of the Class D Notes as set out in the Notice to the Class D Noteholders dated the same date as the notice convening this Meeting;

9. sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Trustee against the Issuer, whether or not such rights arise under the Trust Deed or any other Issuer Transaction Document, involved in or resulting from or to be effected by, the Note Restructuring Proposals or this Extraordinary Resolution or their implementation;
10. authorises the Trustee and the Issuer not to obtain any legal opinions in relation to, or to make any investigation or enquiry into, the power and capacity of any person to enter into any document referred to in this Extraordinary Resolution, or the due execution and delivery thereof by any party thereto or the validity or enforceability thereof and agrees that neither the Trustee nor the Issuer shall be liable to any Noteholder for the failure to do so or for any consequences thereof;
11. agrees that neither the Issuer nor the Trustee shall (i) have any liability with regards to; or (ii) be responsible for acting upon this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason the Extraordinary Resolution is not valid or binding on the Noteholders;
12. agrees that the terms of this Extraordinary Resolution have not been formulated by the Issuer or the Trustee who expresses no view on them;
13. agrees that nothing in this Extraordinary Resolution should be construed as a recommendation to the Noteholder from the Issuer, the Trustee or the Master Servicer to either approve or reject the Extraordinary Resolution proposed;
14. confirms that it has formed its own view in relation to the actions arising out of this Extraordinary Resolution without any reliance on the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers; and
15. agrees that none of the Issuer, the Trustee or the Master Servicer is responsible for the accuracy, completeness, validity or correctness of the statements made and documents referred to in this Extraordinary Resolution or any omissions from this Extraordinary Resolution.”

**BACKGROUND**

The Issuer on the request of the Master Servicer has convened the Meeting for the purpose of enabling Noteholders to consider and resolve, if they think fit, to pass this Extraordinary Resolution proposed in relation to the Notes.

The Extraordinary Resolution is being put to Class C Noteholders for the reasons set out in the Consent Solicitation Memorandum.

**Class C Noteholders are referred to the Consent Solicitation Memorandum which provides further background to, the full reasons for, and further implications of, the Note Restructuring Proposals.**

None of the directors of the Issuer has any interest in the Notes.

**Documents available for inspection**

Copies of the following documents are available to Noteholders from the date of this Notice until the conclusion of the Meetings, (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the execution draft of the Global Deed of Amendment and Restatement in the form it is intended it will be executed if the Extraordinary Resolutions are duly adopted;
- (b) the substantially final drafts of the following documents in relation to the Restructuring:
  - (i) the Restated Propco Facility Agreement;
  - (ii) the Restated Intercreditor Agreement;
  - (iii) the New Hedge Documents to be entered into by Barclays and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc;

- (iv) the Swap Term Loan Facility Agreement; and
- (c) copies of the following existing documents:
  - (i) the Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Proposals);
  - (ii) the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information);
  - (iii) the Consent Solicitation Memorandum;
  - (iv) the Trust Deed;
  - (v) the Cash Management Agreement
  - (vi) the Agency Agreement;
  - (vii) the Liquidity Facility Agreement; and
  - (viii) the Master Definitions Schedule.

*In accordance with normal practice, neither the Issuer nor the Trustee (or any of their respective advisers) has been involved in the formulation of the Restructuring or the Note Restructuring Proposals or has verified the information contained in any part of the Consent Solicitation Memorandum. Further, none of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) expresses any opinion as to the purpose or merits of the Restructuring or the Note Restructuring Proposals or as to the action Noteholders should take in relation to them and each person receiving this Consent Solicitation Memorandum acknowledges that such person has not relied upon none of the Issuer, the Trustee and the Master Servicer in connection with its decision on how to vote in relation to the Extraordinary Resolution. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) makes any representation regarding the accuracy, sufficiency, relevance or otherwise of any information contained in the Consent Solicitation Memorandum or otherwise disclosed or to be disclosed to Noteholders in connection with the Restructuring or the Note Restructuring Proposals. The summary descriptions set out in the section "Restructuring" in the Consent Solicitation Memorandum have been provided to the Issuer by the Master Servicer and represent, to the best knowledge of the Master Servicer, the material amendments to be made to the Finance Documents and other agreements to be entered into as part of the Restructuring and are being provided as background information to Noteholders to assist their determination of whether to approve the Note Restructuring Proposals. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) accepts any liability in relation to the Restructuring, the Note Restructuring Proposals or the matters set out in the Consent Solicitation Memorandum.*

*Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate and each Noteholder must make its own decision as to whether to consent to the proposal. The Principal Paying Agent and the Irish Paying Agent are the agents of the Issuer and owe no duty to any Noteholder.*

#### **GENERAL**

Copies of the Trust Deed and this Notice are also available for inspection by Noteholders (a) on and from the date of this Notice up to and including the date of the Meeting, at the specified offices of the Paying Agents during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the Meeting; and (b) at the Meeting and at the offices of Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG for 15 minutes before the Meeting.

The attention of Noteholders is particularly drawn to the procedures for voting, quorum and other requirements for the passing of this Extraordinary Resolution at the Meeting or any meeting held following any adjournment of the Meeting, which are set out below. This is not intended to be an exhaustive list. Having regard to such requirements, Noteholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting.

The provisions governing the convening and holding of a meeting of the Noteholders are set out in Schedule 4 to the Trust Deed, a copy of which is available for inspection by the Noteholders as set out above.

## VOTING

A Noteholder may require the issue by a Paying Agent of Voting Certificates and Block Voting Instructions in accordance with the terms below. The holder of any Voting Certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the relevant meeting be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates and the Clearing System in which such Notes have been blocked shall be deemed for such purposes not to be the holder of those Notes.

### *Voting Certificate*

- (a) A holder of a Note (not being a Note in respect of which instructions have been given to the Principal Paying Agent in accordance with the section headed "Block Voting Instruction" below) wishing to attend in person and vote at the meeting (or any adjourned meeting) may procure the delivery of a Voting Certificate in respect of such Note by direction through the Clearing Systems via the Tabulation Agent to the Principal Paying Agent specifying by name a person (an "**Identified Person**") (which need not be the holder himself) to collect the Voting Certificate and attend and vote at the meeting.
- (b) The relevant Voting Certificate will be made available at or shortly prior to the commencement of the meeting by the Principal Paying Agent against presentation by such Identified Person of the form of identification previously notified by such holder to the Principal Paying Agent and the Trustee. The Principal Paying Agent and the Trustee may prescribe forms of identification (including, without limitation, a passport or driving licence) which it deems appropriate for these purposes.
- (c) Subject to receipt by the Principal Paying Agent from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes to be represented by any such Voting Certificate and the form of identification against presentation of which such Voting Certificate should be released, the Principal Paying Agent shall, without any obligation to make further enquiry, make available a Voting Certificate against presentation of the form of identification corresponding to that notified.

### *Block Voting Instruction*

- (a) A holder of a Note (not being a Note in respect of which a Voting Certificate has been issued) may require the Principal Paying Agent to issue a Block Voting Instruction in respect of such Note by way of a Consent Instruction via the Tabulation Agent to the Principal Paying Agent to procure that the votes attributable to such Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting.
- (b) Any such instruction shall be given in accordance with the rules of the Clearing System then in effect. Subject to receipt by the Principal Paying Agent of instructions from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes in respect of which instructions have been given and the manner in which the votes attributable to such Notes should be cast, the Principal Paying Agent shall, without any obligation to make further enquiry, appoint a proxy to the Tabulation Agent to attend the meeting and cast votes in accordance with such instructions.
- (c) At least 24 hours before the time appointed for holding the Meeting (or, if applicable, any adjourned such Meeting) at which the proxy or proxies named in the Block Voting Instruction proposes to vote, each Block Voting Instruction, together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the Principal Paying Agent, shall be deposited by the Principal Paying Agent with the person and place approved for this purpose by the Trustee. In default, the Block Voting Instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting proceeds to business.

## QUORUM

- (a) The quorum for passing this Extraordinary Resolution shall be one or more Eligible Persons present and representing not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes for the time being outstanding.
- (b) If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction

of any particular business, then, subject and without prejudice to the transaction of the business for which a quorum is present, it shall stand adjourned for such period, being not less than 13 Clear Days nor more than 42 Clear Days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee.

- (c) The quorum at such adjourned Meeting shall be one or more Eligible Persons present holding or representing in the aggregate not less than 33 per cent. in aggregate Principal Amount Outstanding of the Notes then outstanding. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Issuer and the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 Clear Days (but without any maximum number of Clear Days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings.
- (d) Voting certificates and Block Voting Instructions obtained in respect of the meeting shall remain valid for any such adjourned meeting.

**Noteholders should note these quorum requirements and should be aware that, if the Noteholders either present or appropriately represented at the meeting are insufficient to form a quorum for this Extraordinary Resolution, such Extraordinary Resolution cannot be formally considered thereat. Noteholders are therefore encouraged either to attend the meeting in person or to arrange to be represented at the meeting as soon as possible.**

#### **CONDUCT OF BUSINESS AT MEETINGS**

- (a) Every question submitted to the meeting will be decided on a show of hands unless a poll is duly demanded, inter alia, by the Chairman of the meeting, the Issuer, the Trustee or any Eligible Person present holding a Voting Certificate or being a proxy (whatever the Principal Amount Outstanding of the Notes so represented by him).
- (b) On a show of hands every Eligible Person present shall have one vote. On a poll every Eligible Person who is so present shall have one vote in respect of each £1 in Principal Amount Outstanding of the Notes so produced, or in respect of which he is a proxy or representative.
- (c) To be passed at the meeting, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the Eligible Persons voting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll.
- (d) If the Extraordinary Resolution is passed, it will be binding upon all the Noteholders, whether or not present at such Meeting and whether or not voting. The passing of such Extraordinary Resolution shall be conclusive evidence that the circumstances justify the passing thereof.
- (e) An Extraordinary Resolution passed at the meeting of the Class A Noteholders shall be binding on the Class B Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.
- (f) An Extraordinary Resolution passed at the meeting of the Class B Noteholders shall be binding on the Class A Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class C Noteholders and the Class D Noteholders.
- (g) An Extraordinary Resolution passed at the meeting of the Class C Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class D Noteholders.
- (h) An Extraordinary Resolution passed at the meeting of the Class D Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class C Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

**THIS NOTICE IS GIVEN BY THEATRE (HOSPITALS) NO.1 PLC.**

If Noteholders have any questions regarding voting in relation to the Extraordinary Resolutions, they should contact the Tabulation Agent, the contact details for whom are:

Lucid Issuer Services Limited  
Leroy House  
436 Essex Road  
London N1 3QP

Contact: Victor Parzyjagla / Thomas Choquet  
Phone: +44 20 7704 0880  
Email: [theatre@lucid-is.com](mailto:theatre@lucid-is.com)

If Noteholders have any questions regarding the commercial aspects of the Restructuring, the Note Restructuring Proposals or the Extraordinary Resolutions, they should contact:

(a) the Master Servicer, the contact details for whom are:

Capita Asset Services (UK) Limited  
40 Dukes Place  
London EC3A 7NH

Contact: Serenity Morley  
Phone: +44 207 393 6227  
Email: [serenity.morley@capitaassetservices.co.uk](mailto:serenity.morley@capitaassetservices.co.uk); or

(b) the financial adviser to the Master Servicer, the contact details for whom are:

Lazard  
50 Stratton Street  
London, W1J 8LL

Contact: Kai Hoffman  
Phone: +44 20 7187 2073  
Email: [kai.hoffman@lazard.com](mailto:kai.hoffman@lazard.com)

DATED: 10 April 2015

**PART 4: CLASS D NOTEHOLDERS**  
**THEATRE (HOSPITALS) NO.1 PLC**  
**NOTICE OF A MEETING**

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

**THEATRE (HOSPITALS) NO.1 PLC**

*(a public company with limited liability incorporated under the laws of England and Wales with registered number 06067193)*

(the “**Issuer**”)

**NOTICE OF MEETING**

**of the holders of the outstanding**

**£54,000,000 Class D Commercial Mortgage-Backed Floating Rate Notes due 2031** (ISIN: XS0294355374)

(the “**Notes**”)

of the Issuer

**NOTICE IS HEREBY GIVEN** that a meeting (the “**Meeting**”) of holders of the Notes (the “**Noteholders**”) convened by the Issuer will be held at Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG at 11.30 a.m., London time (or, if later, immediately following the conclusion of the meeting of the holders of the Class C Notes), on 5 May 2015 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as an Extraordinary Resolution in accordance with the provisions of the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the Noteholders, and constituting the Notes. Capitalised terms used but not defined in this Notice have the meanings given to them in the Trust Deed, the terms and conditions of the Notes set out in Schedule 3 to the Trust Deed (the “**Conditions**”) or the consent solicitation memorandum (the “**Consent Solicitation Memorandum**”) issued by the Issuer on 10 April 2015.

“**24 hours**” means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid.

**EXTRAORDINARY RESOLUTION**

“**THAT** this meeting of the holders of the outstanding £54,000,000 Class D Commercial Mortgage-Backed Floating Rate Notes due 2031 of Theatre (Hospitals) No. 1 PLC (the “**Notes**” and the “**Issuer**” respectively) constituted by the trust deed dated 11 May 2007, as supplemented, amended, restated and modified from time to time (the “**Trust Deed**”), made between the Issuer and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for the holders of the Notes (the “**Noteholders**”) hereby:

1. approves, authorises, consents, sanctions and assents to the Note Restructuring Proposals (as defined in the consent solicitation memorandum dated 10 April 2015 issued by the Issuer (the “**Consent Solicitation Memorandum**”)) and their implementation;
2. approves, authorises, consents, sanctions, empowers and directs the Issuer and the Trustee to:
  - (a) consent and/or confirm their agreement to the implementation of the Note Restructuring Proposals (in writing where necessary);

- (b) concur in and to execute and do all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Extraordinary Resolution and the implementation of the Note Restructuring Proposals (including, without limitation, by entry into and execution of the Global Deed of Amendment and Restatement (as defined in the Consent Solicitation Memorandum) substantially in the form of the draft produced to this Meeting and signed by the chairman of this Meeting (the “**Chairman**”) for the purpose of identification, with such minor or consequential amendments (if any) thereto as the Trustee may approve in order to give effect to the Note Restructuring Proposals) and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees (each as defined in the Consent Solicitation Memorandum)) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals; and
  - (c) concur with, consent to and, to the extent the Issuer and/or the Trustee is so able, to direct each of the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank and the Irish Paying Agent and each other party to the Global Deed of Amendment and Restatement to enter into the Global Deed of Amendment and Restatement and implement the Note Restructuring Proposals and in each case performing its obligations contemplated thereby including, without limitation, those matters, directions and execution and delivery of letters (including, but without limitation, with respect to the Early Consent Fees and the Late Consent Fees) and documents contemplated by the Global Deed of Amendment and Restatement and the Note Restructuring Proposals;
- 3. waives for the purposes of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents any imperfection or non-compliance with the provisions of the Trust Deed, the Notes, the Conditions and all other Issuer Transaction Documents in the manner of delivery of any instruction, authorisation, notice or direction from the Issuer, the Trustee or the Master Servicer pursuant to the Servicing Agreement;
- 4. sanctions every abrogation, modification or compromise of, or arrangement in respect of, the rights of the Noteholders appertaining to the Notes against the Issuer, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications referred to in paragraphs 1 and 2 of this Extraordinary Resolution and their implementation;
- 5. discharges and exonerates the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers from any and all liabilities in respect of any act or omission in connection with the Trust Deed, the Notes, the Conditions or any of the Issuer Transaction Documents (as from time to time modified in accordance with the provisions therein contained) or otherwise arising from or in connection with this Extraordinary Resolution or the implementation of the Extraordinary Resolution or the Note Restructuring Proposals (including, without limitation, any amendments agreed by any party to any of the documents for the purposes of implementing this Extraordinary Resolution or the Note Restructuring Proposals);
- 6. sanctions the passing of the extraordinary resolutions of the holders of the Class A Notes as set out in the Notice to the Class A Noteholders dated the same date as the notice convening this Meeting;
- 7. sanctions the passing of the extraordinary resolutions of the holders of the Class B Notes as set out in the Notice to the Class B Noteholders dated the same date as the notice convening this Meeting;
- 8. sanctions the passing of the extraordinary resolutions of the holders of the Class C Notes as set out in the Notice to the Class C Noteholders dated the same date as the notice convening this Meeting;

9. sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Trustee against the Issuer, whether or not such rights arise under the Trust Deed or any other Issuer Transaction Document, involved in or resulting from or to be effected by, the Note Restructuring Proposals or this Extraordinary Resolution or their implementation;
10. authorises the Trustee and the Issuer not to obtain any legal opinions in relation to, or to make any investigation or enquiry into, the power and capacity of any person to enter into any document referred to in this Extraordinary Resolution, or the due execution and delivery thereof by any party thereto or the validity or enforceability thereof and agrees that neither the Trustee nor the Issuer shall be liable to any Noteholder for the failure to do so or for any consequences thereof;
11. agrees that neither the Issuer nor the Trustee shall (i) have any liability with regards to; or (ii) be responsible for acting upon this Extraordinary Resolution even though it may be subsequently found that there is a defect in the passing of this Extraordinary Resolution or that for any reason the Extraordinary Resolution is not valid or binding on the Noteholders;
12. agrees that the terms of this Extraordinary Resolution have not been formulated by the Issuer or the Trustee who expresses no view on them;
13. agrees that nothing in this Extraordinary Resolution should be construed as a recommendation to the Noteholder from the Issuer, the Trustee or the Master Servicer to either approve or reject the Extraordinary Resolution proposed;
14. confirms that it has formed its own view in relation to the actions arising out of this Extraordinary Resolution without any reliance on the Issuer, the Trustee, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank, the Irish Paying Agent, the Liquidity Facility Provider, the Master Servicer and the Special Servicer and any of their respective advisers; and
15. agrees that none of the Issuer, the Trustee or the Master Servicer is responsible for the accuracy, completeness, validity or correctness of the statements made and documents referred to in this Extraordinary Resolution or any omissions from this Extraordinary Resolution.”

#### **BACKGROUND**

The Issuer on the request of the Master Servicer has convened the Meeting for the purpose of enabling Noteholders to consider and resolve, if they think fit, to pass this Extraordinary Resolution proposed in relation to the Notes.

The Extraordinary Resolution is being put to Class D Noteholders for the reasons set out in the Consent Solicitation Memorandum.

**Class D Noteholders are referred to the Consent Solicitation Memorandum which provides further background to, the full reasons for, and further implications of, the Note Restructuring Proposals.**

None of the directors of the Issuer has any interest in the Notes.

#### **Documents available for inspection**

Copies of the following documents are available to Noteholders from the date of this Notice until the conclusion of the Meetings, (i) to view on a password protected website the details of which are available from the Tabulation Agent on request; and (ii) for inspection during normal business hours, at the offices of the Tabulation Agent, the Master Servicer and Paul Hastings (Europe) LLP on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the execution draft of the Global Deed of Amendment and Restatement in the form it is intended it will be executed if the Extraordinary Resolutions are duly adopted;
- (b) the substantially final drafts of the following documents in relation to the Restructuring:
  - (i) the Restated Propco Facility Agreement;
  - (ii) the Restated Intercreditor Agreement;
  - (iii) the New Hedge Documents to be entered into by Barclays and to be replicated, *mutatis mutandis*, with respect to the New Hedge Documents to be entered into by Bank of Scotland plc;

- (iv) the Swap Term Loan Facility Agreement; and
- (c) copies of the following existing documents:
  - (i) the Global Restructuring Agreement (redacted to delete confidential information and other items no longer relevant to the Restructuring or the Note Restructuring Proposals);
  - (ii) the Global Restructuring Agreement Amendment Agreement (redacted to delete confidential information);
  - (iii) the Consent Solicitation Memorandum;
  - (iv) the Trust Deed;
  - (v) the Cash Management Agreement
  - (vi) the Agency Agreement;
  - (vii) the Liquidity Facility Agreement; and
  - (viii) the Master Definitions Schedule.

*In accordance with normal practice, neither the Issuer nor the Trustee (or any of their respective advisers) has been involved in the formulation of the Restructuring or the Note Restructuring Proposals or has verified the information contained in any part of the Consent Solicitation Memorandum. Further, none of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) expresses any opinion as to the purpose or merits of the Restructuring or the Note Restructuring Proposals or as to the action Noteholders should take in relation to them and each person receiving this Consent Solicitation Memorandum acknowledges that such person has not relied upon none of the Issuer, the Trustee and the Master Servicer in connection with its decision on how to vote in relation to the Extraordinary Resolution. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) makes any representation regarding the accuracy, sufficiency, relevance or otherwise of any information contained in the Consent Solicitation Memorandum or otherwise disclosed or to be disclosed to Noteholders in connection with the Restructuring or the Note Restructuring Proposals. The summary descriptions set out in the section "Restructuring" in the Consent Solicitation Memorandum have been provided to the Issuer by the Master Servicer and represent, to the best knowledge of the Master Servicer, the material amendments to be made to the Finance Documents and other agreements to be entered into as part of the Restructuring and are being provided as background information to Noteholders to assist their determination of whether to approve the Note Restructuring Proposals. None of the Issuer, the Trustee and the Master Servicer (or any of their respective advisers) accepts any liability in relation to the Restructuring, the Note Restructuring Proposals or the matters set out in the Consent Solicitation Memorandum.*

*Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate and each Noteholder must make its own decision as to whether to consent to the proposal. The Principal Paying Agent and the Irish Paying Agent are the agents of the Issuer and owe no duty to any Noteholder.*

#### **GENERAL**

Copies of the Trust Deed and this Notice are also available for inspection by Noteholders (a) on and from the date of this Notice up to and including the date of the Meeting, at the specified offices of the Paying Agents during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the Meeting; and (b) at the Meeting and at the offices of Paul Hastings (Europe) LLP, 8th Floor, 10 Bishops Square, London E1 6EG for 15 minutes before the Meeting.

The attention of Noteholders is particularly drawn to the procedures for voting, quorum and other requirements for the passing of this Extraordinary Resolution at the Meeting or any meeting held following any adjournment of the Meeting, which are set out below. This is not intended to be an exhaustive list. Having regard to such requirements, Noteholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting.

The provisions governing the convening and holding of a meeting of the Noteholders are set out in Schedule 4 to the Trust Deed, a copy of which is available for inspection by the Noteholders as set out above.

## VOTING

A Noteholder may require the issue by a Paying Agent of Voting Certificates and Block Voting Instructions in accordance with the terms below. The holder of any Voting Certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the relevant meeting be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates and the Clearing System in which such Notes have been blocked shall be deemed for such purposes not to be the holder of those Notes.

### *Voting Certificate*

- (a) A holder of a Note (not being a Note in respect of which instructions have been given to the Principal Paying Agent in accordance with the section headed "Block Voting Instruction" below) wishing to attend in person and vote at the meeting (or any adjourned meeting) may procure the delivery of a Voting Certificate in respect of such Note by direction through the Clearing Systems via the Tabulation Agent to the Principal Paying Agent specifying by name a person (an "**Identified Person**") (which need not be the holder himself) to collect the Voting Certificate and attend and vote at the meeting.
- (b) The relevant Voting Certificate will be made available at or shortly prior to the commencement of the meeting by the Principal Paying Agent against presentation by such Identified Person of the form of identification previously notified by such holder to the Principal Paying Agent and the Trustee. The Principal Paying Agent and the Trustee may prescribe forms of identification (including, without limitation, a passport or driving licence) which it deems appropriate for these purposes.
- (c) Subject to receipt by the Principal Paying Agent from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes to be represented by any such Voting Certificate and the form of identification against presentation of which such Voting Certificate should be released, the Principal Paying Agent shall, without any obligation to make further enquiry, make available a Voting Certificate against presentation of the form of identification corresponding to that notified.

### *Block Voting Instruction*

- (a) A holder of a Note (not being a Note in respect of which a Voting Certificate has been issued) may require the Principal Paying Agent to issue a Block Voting Instruction in respect of such Note by way of a Consent Instruction via the Tabulation Agent to the Principal Paying Agent to procure that the votes attributable to such Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting.
- (b) Any such instruction shall be given in accordance with the rules of the Clearing System then in effect. Subject to receipt by the Principal Paying Agent of instructions from the Tabulation Agent, no later than 24 hours prior to the time for which such meeting is convened, of notification of the principal amount of the Notes in respect of which instructions have been given and the manner in which the votes attributable to such Notes should be cast, the Principal Paying Agent shall, without any obligation to make further enquiry, appoint a proxy to the Tabulation Agent to attend the meeting and cast votes in accordance with such instructions.
- (c) At least 24 hours before the time appointed for holding the Meeting (or, if applicable, any adjourned such Meeting) at which the proxy or proxies named in the Block Voting Instruction proposes to vote, each Block Voting Instruction, together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the Principal Paying Agent, shall be deposited by the Principal Paying Agent with the person and place approved for this purpose by the Trustee. In default, the Block Voting Instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting proceeds to business.

## QUORUM

- (a) The quorum for passing this Extraordinary Resolution shall be one or more Eligible Persons present and representing not less than 75 per cent. in aggregate Principal Amount Outstanding of the Notes for the time being outstanding.
- (b) If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction

of any particular business, then, subject and without prejudice to the transaction of the business for which a quorum is present, it shall stand adjourned for such period, being not less than 13 Clear Days nor more than 42 Clear Days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee.

- (c) The quorum at such adjourned Meeting shall be one or more Eligible Persons present holding or representing in the aggregate not less than 33 per cent. in aggregate Principal Amount Outstanding of the Notes then outstanding. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Issuer and the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 Clear Days (but without any maximum number of Clear Days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings.
- (d) Voting certificates and Block Voting Instructions obtained in respect of the meeting shall remain valid for any such adjourned meeting.

**Noteholders should note these quorum requirements and should be aware that, if the Noteholders either present or appropriately represented at the meeting are insufficient to form a quorum for this Extraordinary Resolution, such Extraordinary Resolution cannot be formally considered thereat. Noteholders are therefore encouraged either to attend the meeting in person or to arrange to be represented at the meeting as soon as possible.**

#### **CONDUCT OF BUSINESS AT MEETINGS**

- (a) Every question submitted to the meeting will be decided on a show of hands unless a poll is duly demanded, inter alia, by the Chairman of the meeting, the Issuer, the Trustee or any Eligible Person present holding a Voting Certificate or being a proxy (whatever the Principal Amount Outstanding of the Notes so represented by him).
- (b) On a show of hands every Eligible Person present shall have one vote. On a poll every Eligible Person who is so present shall have one vote in respect of each £1 in Principal Amount Outstanding of the Notes so produced, or in respect of which he is a proxy or representative.
- (c) To be passed at the meeting, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the Eligible Persons voting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll.
- (d) If the Extraordinary Resolution is passed, it will be binding upon all the Noteholders, whether or not present at such Meeting and whether or not voting. The passing of such Extraordinary Resolution shall be conclusive evidence that the circumstances justify the passing thereof.
- (e) An Extraordinary Resolution passed at the meeting of the Class A Noteholders shall be binding on the Class B Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.
- (f) An Extraordinary Resolution passed at the meeting of the Class B Noteholders shall be binding on the Class A Noteholders, the Class C Noteholders and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class C Noteholders and the Class D Noteholders.
- (g) An Extraordinary Resolution passed at the meeting of the Class C Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class D Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class D Noteholders.
- (h) An Extraordinary Resolution passed at the meeting of the Class D Noteholders shall be binding on the Class A Noteholders, the Class B Noteholders, and the Class C Noteholders provided it shall have been sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

**THIS NOTICE IS GIVEN BY THEATRE (HOSPITALS) NO.1 PLC.**

If Noteholders have any questions regarding voting in relation to the Extraordinary Resolutions, they should contact the Tabulation Agent, the contact details for whom are:

Lucid Issuer Services Limited  
Leroy House  
436 Essex Road  
London N1 3QP

Contact: Victor Parzyjagla / Thomas Choquet  
Phone: +44 20 7704 0880  
Email: [theatre@lucid-is.com](mailto:theatre@lucid-is.com)

If Noteholders have any questions regarding the commercial aspects of the Restructuring, the Note Restructuring Proposals or the Extraordinary Resolutions, they should contact:

(a) the Master Servicer, the contact details for whom are:

Capita Asset Services (UK) Limited  
40 Dukes Place  
London EC3A 7NH

Contact: Serenity Morley  
Phone: +44 207 393 6227  
Email: [serenity.morley@capitaassetservices.co.uk](mailto:serenity.morley@capitaassetservices.co.uk); or

(b) the financial adviser to the Master Servicer, the contact details for whom are:

Lazard  
50 Stratton Street  
London, W1J 8LL

Contact: Kai Hoffman  
Phone: +44 20 7187 2073  
Email: [kai.hoffman@lazard.com](mailto:kai.hoffman@lazard.com)

DATED: 10 April 2015

**ISSUER**

**Theatre (Hospitals) No.1 PLC**

35 Great St. Helen's  
London EC3A 6AP  
United Kingdom

**TRUSTEE**

**Citicorp Trustee Company Limited**

Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB  
United Kingdom

**TABULATION AGENT**

**Lucid Issuer Services Limited**

Leroy House  
436 Essex Road  
London N1 3QP  
United Kingdom

**AGENT BANK AND**

**PRINCIPAL PAYING AGENT**

**Citibank N.A., London Branch**

Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB

**IRISH PAYING AGENT**

**Citibank International plc**

1 North Wall Quay  
Dublin 1  
Ireland

**MASTER SERVICER**

**Capita Asset Services (London) Limited**

40 Dukes Place  
London EC3A 7NH  
United Kingdom

**LEGAL ADVISERS**

*To the Issuer as to English law*

**K&L Gates LLP**  
One New Change  
London EC4M 9AF  
United Kingdom

*To the Trustee as to English law*

**Norton Rose Fulbright LLP**  
3 More London Riverside  
London SE1 2AQ  
United Kingdom

*To the Master Servicer as to English law*

**Paul Hastings (Europe) LLP**  
Eighth Floor  
10 Bishops Square  
London E1 6EG  
United Kingdom