

CANARY WHARF FINANCE II PLC
*(incorporated in England and Wales with limited liability
under Registered Number 3929593)*
(the "Issuer")

NOTICE

to the holders of the

**£1,215,000,000 Class A1 6.455 per cent. First Mortgage Debentures due October 2033
(XS0112279616)**

and

**£400,000,000 Class A3 5.952 per cent. First Mortgage Debentures due October 2037
(XS0130681512)**

and

**£222,000,000 Class A7 Floating Rate First Mortgage Debentures due October 2037
(ISIN: XS0295171341)**

and

**£104,000,000 Class B3 Floating Rate First Mortgage Debentures due October 2037
(ISIN: XS0295172075)**

and

**£235,000,000 Class B 6.800 per cent. First Mortgage Debentures due October 2033
(XS0112281190)**

and

**£275,000,000 Class C2 Floating Rate First Mortgage Debentures due October 2037
(ISIN: XS0295172406)**

and

**£125,000,000 CLASS D2 Floating Rate First Mortgage Debentures due October 2037
(ISIN: XS0295172745)**

of the Issuer presently outstanding (together the "Notes")

20 June 2014

NOTICE IS HEREBY GIVEN to the holders of the Notes that:

Sale and release of 10 Upper Bank Street

At the request of CW Lending II Limited (in its capacity as the Borrower under the Intercompany Loan Agreement) and in accordance with Clause 17.20(a)(ii) (*Substitution, release and addition of new Mortgaged Property*) of the Intercompany Loan Agreement, 10 Upper Bank Street, London, which used to be a Mortgaged Property in respect of the securitisation, (the "**Released Property**") has been released. The Released Property has been disposed of for consideration on the date of this notice and the Release Prepayment Amount out of such consideration will be used to fund the Redemption (as defined below). Consequential amendments have been made to certain of the Finance Documents.

Partial Redemption of Class A1 Notes

Pursuant to Condition 5 (*Redemption, Purchase and Cancellation*), the Issuer will redeem £577,900,000.00 (being the Release Prepayment Amount for the Released Property) in aggregate principal amount of the Class A1 Notes on the Interest Payment Date falling on 22 July 2014 (the "**Redemption Date**") at a price equal to the Release Prepayment Amount, together with all accrued interest to, but excluding, the Redemption Date

(the "**Redemption**"). The Redemption will be in addition to the Amortisation Amount required to be paid in respect of the Class A1 Notes on the Redemption Date. As required by Condition 5 (*Redemption, Purchase and Cancellation*), confirmation has been obtained from the Rating Agencies that the current ratings assigned by them in respect of the Notes will not be adversely affected by the Redemption. This notice shall constitute the notice to the Noteholders required to be provided under Condition 5(c) (*Optional redemption*) in connection with the Redemption.

Amortisation Amounts

As a result of the Redemption, the Amortisation Amounts of the Class A1 Notes payable on each Interest Payment Date falling after the Redemption Date up to 22 April 2030 will be reduced to the amounts set out at the schedule to this Notice.

Escrow

The Issuer is of the opinion that it is entitled to redeem the Class A1 Notes in accordance with Condition 5(b)(iv) and that, accordingly the amount payable to the holders of the Class A1 Notes pursuant to the Redemption will be the amount stipulated in Condition 5(c)(ii)(A), which will be the Release Prepayment Amount, plus accrued interest. The Trustee has indicated to the Issuer that it is unclear to the Trustee as to whether the Redemption should take place under Condition 5(b)(iv) or Condition 5(c). If Redemption were to take place under Condition 5(c), then the price at which the Class A1 Notes would be redeemed would be 129.20 per cent., so that an additional amount of £168,746,800 (the "**Premium**") would be payable to the holders of the Class A1 Notes. The Issuer intends to make an application to Court for a declaration as to whether, on a true construction of the Conditions and other relevant contractual documentation, the Class A1 Notes should be redeemed under Condition 5(b)(iv) or Condition 5(c).

The Borrower has agreed, without prejudice to its interpretation of the Conditions (including Condition 5(b)(iv) and the amount payable pursuant to the Redemption), to place on deposit with Deutsche Bank AG, London Branch (in its capacity as an escrow agent, the "**Note Premium Escrow Agent**") an amount (the "**Note Premium Escrow Amount**") equal to the Premium together with interest at the rate of 6.455 per cent. per annum for the period from (and including) the Redemption Date to (but excluding) the next Interest Payment Date. The Note Premium Escrow Agent shall hold the Note Premium Escrow Amount in an account with itself (the "**Note Premium Escrow Account**"). The Note Premium Escrow Agent shall release amounts standing to the credit of the Note Premium Escrow Account if and/or when:

- (i) a final order is made that the Redemption should be under Condition 5(b)(iv) or the Issuer and the Trustee agree that the redemption of the Class A1 Notes should be under Condition 5(b)(iv), in which case the amount standing to the credit of the Note Premium Escrow Account shall be paid to the Borrower;
- (ii) a final order is made that the Redemption should be under Condition 5(c) or the Issuer and the Trustee agree that the redemption of the Class A1 Notes should be under Condition 5(c), in which case an amount equal to the Premium together with accrued interest from (and including) the Redemption Date to (but excluding) the Premium Payment Date (as defined below) shall be paid to the Issuer from the Note Premium Escrow Account for payment to the holders of the Class A1 Notes. If the balance of the Note Premium Escrow Account is less than any amount payable to the holders of the Class A1 Notes, the Borrower shall pay to the Issuer an amount equal to the difference, but if the balance of the Note Premium Escrow Account is more than any

amount payable to the holders of the Class A1 Notes, then the surplus amount will be paid to the Borrower; and

- (iii) the Issuer and the holders of the Class A1 Notes (acting by an Extraordinary Resolution) agree on an amount payable in relation to the Redemption, in which case the amount agreed to be paid to the holders of the Class A1 Notes will be paid from the Note Premium Escrow Account to the Issuer for payment to the holders of the Class A1 Notes and the remaining balance will be paid to the Borrower.

For the purposes of this Notice, a final order shall be deemed to have been made when an order, judgment, award, decision or decree which represents a final adjudication by a court of competent jurisdiction has been made as to whether redemption of the Class A1 Notes should be under Condition 5(b)(iv) or 5(c) and the time for appeal from such order, judgment, award, decision or decree has expired without an appeal having been made.

Upon the occurrence of any of the events specified at paragraphs (i) to (iii) (inclusive) above, the Issuer will, as soon as reasonably practicable after the occurrence of such event, give notice to holders of the Class A1 Notes (in accordance with Condition 14 (*Notice to Noteholders*)) of the occurrence of such event and, where applicable, of the amount which is payable to the holders of the Class A1 Notes (the "**Premium Payment Notice**"). If an amount is required to be paid to holders of the Class A1 Notes, as described at paragraphs (ii) or (iii) above, the Issuer shall pay the relevant amount to the holders of the Class A1 Notes on the later of (i) the Redemption Date; and (ii) the date falling 10 Business Days after the date of the Premium Payment Notice (the "**Premium Payment Date**"), with interest calculated up to, but excluding, the Premium Payment Date (where the latter falls after the Redemption Date).

The release by the Trustee of the Security held by it over the Released Property was made on the condition that the Borrower places the Note Premium Escrow Amount with the Note Premium Escrow Agent on the terms of the Escrow Documents referred to below and summarised above.

Electronic copies of the Escrow Documents comprising (i) the Note Premium Escrow Arrangement Deed dated the date of this Notice between the Borrower, the Trustee and the Issuer and (ii) the Note Premium Escrow Agent Appointment and Administration Deed dated the date of this Notice between the Borrower, the Trustee and the Note Premium Escrow Agent are available upon request by email to abs.mbs.london@list.db.com.

Cancellation of Class B3 Notes and Class C2 Notes

On the date of this notice, the Issuer has also entered into a transaction with, *inter alios*, Canary Wharf Finance (Investments) Limited ("**CWFIL**"), Canary Wharf Holdings Limited ("**CWHL**") and the Borrower whereby (i) CWFIL has released the Issuer from its obligations (including the obligation to pay interest accrued for the Interest Period ending on the Interest Payment Date falling in July 2014 and unpaid as of the date of this notice) under the Class B3 Notes and the Class C2 Notes held by CWFIL immediately prior to the Redemption Date and having the Principal Amount Outstanding of £26,101,000 and £35,338,000, respectively (the "**Cancelled Notes**"), and (ii) the Cancelled Notes will be subsequently cancelled.

In connection with such cancellation, the Issuer has: (i) paid consideration for the release (the "**Release Consideration**") to CWHL; (ii) effected partial termination of the Class B3 Swap Transaction and the Class C2 Swap Transaction to reflect the cancellation of the Cancelled Notes and made a payment of the associated termination amounts to Barclays Bank plc in its capacity as the Class B3 Swap Counterparty and the Class C2 Swap Counterparty; and (iii)

partially released the Borrower from its obligations under the Borrower Loans by reducing the principal amount outstanding of the B3 Loans and the C2 Loans by £26,101,000 and £35,338,000, respectively (the "**Borrower Loan Release**"), such partial release being in consideration for the payment by the Borrower of an amount equal to the aggregate of the Release Consideration and the amounts required to be paid by the Issuer to the Class B3 Swap Counterparty and the Class C2 Swap Counterparty in connection with the termination of the Swap Transactions as described in paragraph (ii) above. Such payment by the Borrower has been financed, ultimately, by a new subordinated loan made by Canary Wharf Limited to the Intermediate Borrower.

Capitalised terms not otherwise defined in this notice shall have the meanings given to them in the Seventh Restated Master Definitions Agreement entered into between, amongst others, the Issuer and the Trustee on 20 June 2014.

The Company was advised on this transaction by N M Rothschild & Sons Limited ("**Rothschild**").

Should you have any queries concerning the information contained in this notice please contact:

Canary Wharf Finance II plc
One Canada Square
London
E14 5AB

Email: john.garwood@canarywharf.com

**Schedule
Part I**
Amortisation Schedule in respect of Class A1 Notes as attached to the Conditions

<u>Interest Payment Date</u>	<u>Period</u>	<u>Class A1 Note Amortisation Amount</u>
22 Jul 14	37	59.90
22 Oct 14	38	23.06
22 Jan 15	39	23.06
22 Apr 15	40	23.06
22 Jul 15	41	23.06
22 Oct 15	42	23.06
22 Jan 16	43	23.06
22 Apr 16	44	23.06
22 Jul 16	45	23.06
22 Oct 16	46	23.06
22 Jan 17	47	23.06
22 Apr 17	48	23.06
22 Jul 17	49	23.06
22 Oct 17	50	23.06
22 Jan 18	51	23.06
22 Apr 18	52	23.06
22 Jul 18	53	23.06
22 Oct 18	54	23.06
22 Jan 19	55	23.06
22 Apr 19	56	23.06
22 Jul 19	57	23.06
22 Oct 19	58	23.06
22 Jan 20	59	23.06
22 Apr 20	60	23.06
22 Jul 20	61	23.06
22 Oct 20	62	23.06
22 Jan 21	63	23.06
22 Apr 21	64	23.06
22 Jul 21	65	23.06
22 Oct 21	66	23.06
22 Jan 22	67	23.06
22 Apr 22	68	23.06
22 Jul 22	69	23.06
22 Oct 22	70	23.06
22 Jan 23	71	23.06
22 Apr 23	72	23.06
22 Jul 23	73	23.06
22 Oct 23	74	23.06
22 Jan 24	75	23.06
22 Apr 24	76	23.06
22 Jul 24	77	23.06
22 Oct 24	78	23.06
22 Jan 25	79	23.06
22 Apr 25	80	23.06
22 Jul 25	81	23.06
22 Oct 25	82	23.06
22 Jan 26	83	23.06
22 Apr 26	84	23.06
22 Jul 26	85	12.05
22 Oct 26	86	12.05
22 Jan 27	87	12.05
22 Apr 27	88	12.05
22 Jul 27	89	14.05
22 Oct 27	90	14.05
22 Jan 28	91	14.05
22 Apr 28	92	14.05
22 Jul 28	93	16.05
22 Oct 28	94	16.05
22 Jan 29	95	16.05
22 Apr 29	96	16.05
22 Jul 29	97	16.05
22 Oct 29	98	16.05
22 Jan 30	99	16.05
22 Apr 30	100	188.46

Part II
Scheduled Payments and Reductions as set out in the Intercompany Loan Agreement

I	II	III	IV	V	VI	VII	VIII
Interest Payment Date	Class A1 Tranche ¹	Class A3 Tranche	Class A7 Tranche	Class B3 Tranche ²	Class B Tranche	Class C2 Tranche ³	Class D2 Tranche
	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount
22-Jul-00	-				-		
22-Oct-00	-				-		
22-Jan-01	-				-		
22-Apr-01	-				-		
22-Jul-01	-				-		
22-Oct-01	-				-		
22-Jan-02	-				-		
22-Apr-02	-				-		
22-Jul-02	-				-		
22-Oct-02	-				-		
22-Jan-03	-				-		
22-Apr-03	-				-		
22-Jul-03	-				-		
22-Oct-03	-				-		
22-Jan-04	-				-		
22-Apr-04	-				-		
22-Jul-04	-				-		
22-Oct-04	-				-		
22-Jan-05	-				-		
22-Apr-05	-				-		
22-Jul-05	-				1,727,720.00		
22-Oct-05	-				1,727,720.00		
22-Jan-06	-				1,727,720.00		
22-Apr-06	-				1,727,720.00		
22-Jul-06	-				1,727,720.00		
22-Oct-06	-				1,727,720.00		
22-Jan-07	-				1,727,720.00		
22-Apr-07	-				1,727,720.00		

¹ Class A1 Tranche prepaid in the amount of £577,900,000 on 20 June 2014

² Class B3 Tranche released in the amount of £26,101,000 on 20 June 2014

³ Class C2 Tranche released in the amount of £35,338,000 on 20 June 2014

I	II	III	IV	V	VI	VII	VIII
	Class A1 Tranche ¹	Class A3 Tranche	Class A7 Tranche	Class B3 Tranche ²	Class B Tranche	Class C2 Tranche ³	Class D2 Tranche
Interest Payment Date	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount
22-Jul-07	-	-	-	-	1,727,720.00	-	-
22-Oct-07	-	-	-	-	1,727,720.00	-	-
22-Jan-08	-	-	-	-	1,727,720.00	-	-
22-Apr-08	-	-	-	-	1,727,720.00	-	-
22-Jul-08	-	-	-	-	1,727,720.00	-	-
22-Oct-08	-	-	-	-	1,727,720.00	-	-
22-Jan-09	-	-	-	-	1,727,720.00	-	-
22-Apr-09	-	-	-	-	1,727,720.00	-	-
22-Jul-09	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Oct-09	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jan-10	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Apr-10	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jul-10	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Oct-10	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jan-11	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Apr-11	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jul-11	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Oct-11	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jan-12	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Apr-12	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jul-12	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Oct-12	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jan-13	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Apr-13	12,655,440.00	-	-	-	1,727,720.00	-	-
22-Jul-13	14,555,700.00	-	-	-	1,727,720.00	-	-
22-Oct-13	14,555,700.00	-	-	-	1,727,720.00	-	-
22-Jan-14	14,555,700.00	-	-	-	1,727,720.00	-	-
22-Apr-14	14,555,700.00	-	-	-	1,727,720.00	-	-
22-Jul-14	14,555,700.00	-	-	-	1,727,720.00	-	-
22-Oct-14	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Jan-15	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Apr-15	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Jul-15	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Oct-15	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Jan-16	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Apr-16	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Jul-16	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Oct-16	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Jan-17	5,603,580.00	-	-	-	1,727,720.00	-	-
22-Apr-17	5,603,580.00	-	-	-	1,727,720.00	-	-

I	II	III	IV	V	VI	VII	VIII
	Class A1 Tranche ¹	Class A3 Tranche	Class A7 Tranche	Class B3 Tranche ²	Class B Tranche	Class C2 Tranche ³	Class D2 Tranche
Interest Payment Date	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount
22-Jul-17	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-17	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-18	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-18	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-18	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-18	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-19	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-19	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-19	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-19	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-20	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-20	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-20	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-20	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-21	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-21	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-21	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-21	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-22	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-22	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-22	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-22	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-23	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-23	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-23	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-23	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-24	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-24	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-24	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-24	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-25	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-25	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-25	5,603,580.00		-	-	1,727,720.00	-	-
22-Oct-25	5,603,580.00		-	-	1,727,720.00	-	-
22-Jan-26	5,603,580.00		-	-	1,727,720.00	-	-
22-Apr-26	5,603,580.00		-	-	1,727,720.00	-	-
22-Jul-26	2,928,150.00		-	-	1,727,720.00	-	-
22-Oct-26	2,928,150.00		-	-	1,727,720.00	-	-
22-Jan-27	2,928,150.00		-	-	1,727,720.00	-	-
22-Apr-27	2,928,150.00		-	-	1,727,720.00	-	-

I	II	III	IV	V	VI	VII	VIII
	Class A1 Tranche ¹	Class A3 Tranche	Class A7 Tranche	Class B3 Tranche ²	Class B Tranche	Class C2 Tranche ³	Class D2 Tranche
Interest Payment Date	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount	Scheduled Term Principal Amount
22-Jul-27	3,414,150.00	-	-	-	1,727,720.00	-	-
22-Oct-27	3,414,150.00	-	-	-	1,727,720.00	-	-
22-Jan-28	3,414,150.00	-	-	-	1,727,720.00	-	-
22-Apr-28	3,414,150.00	-	-	-	1,727,720.00	-	-
22-Jul-28	3,900,150.00	-	-	-	1,727,720.00	-	-
22-Oct-28	3,900,150.00	-	-	-	1,727,720.00	-	-
22-Jan-29	3,900,150.00	-	-	-	1,727,720.00	-	-
22-Apr-29	3,900,150.00	-	-	-	1,727,720.00	-	-
22-Jul-29	3,900,150.00	-	-	-	1,727,720.00	-	-
22-Oct-29	3,900,150.00	-	-	-	1,727,720.00	-	-
22-Jan-30	3,900,150.00	-	-	-	1,727,720.00	-	-
22-Apr-30	45,795,950.00	-	-	-	63,955,720.00	-	-
22-Jul-30	-	-	-	-	-	-	-
22-Oct-30	-	-	-	-	-	-	-
22-Jan-31	-	-	-	-	-	-	-
22-Apr-31	-	-	-	-	-	-	-
22-Jul-31	-	-	-	-	-	-	-
22-Oct-31	-	-	-	-	-	-	-
22-Jan-32	-	-	-	-	-	-	-
22-Apr-32	-	-	-	-	-	-	-
22-Jul-32	-	-	-	-	-	-	-
22-Oct-32	-	-	-	-	-	-	-
22-Jan-33	-	-	-	-	-	-	-
22-Apr-33	-	-	-	-	-	-	-
22-Jul-33	-	-	-	-	-	-	-
22-Oct-33	-	-	-	-	-	-	-
22-Jan-34	-	-	-	-	-	-	-
22-Apr-34	-	-	-	-	-	-	-
22-Jul-34	-	-	-	-	-	-	-
22-Oct-34	-	-	-	-	-	-	-
22-Jan-35	-	-	222,000,000	77,899,000	-	239,662,000	125,000,000
Totals	637,100,000.00		222,000,000	77,899,000	234,000,000.00	239,662,000	125,000,000

¹ Class A1 Tranche prepaid in the amount of £577,900,000 on 20 June 2014

² Class B3 Tranche released in the amount of £26,101,000 on 20 June 2014

³ Class C2 Tranche released in the amount of £35,338,000 on 20 June 2014