

# CBRE

CB RICHARD ELLIS

## Loan Servicing

NEMUS II (Arden) plc

Quarterly Servicer Report to Investors

Note Interest Period 15/08/2011 - 15/11/2011



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**\*Front Page shows 171 Victoria Street (Loan No.3)**

## Executive Summary

Unless stated otherwise all amounts in this report are in GBP (£)

	Current	Previous	Issue
Effective Date	15/11/2011	17/08/2011	14/12/2006
Loan Balance	238,470,552	238,812,152	260,872,748
Scheduled Amortisation for Period	233,270	313,888	
Unscheduled Amortisation for Period	108,330	0	
Partial Repayment	0	6,065,492	
Full Repayment	0	0	
Number of Loans	5	5	6
Number of Properties	15	15	22
Number of Tenants (Commercial)	52	58	86
Number of Delinquencies	1	1	0
Number of Loans not Current (Whole Loan)	1	1	0
Weighted Average ICR on securitised loan balance	480.7%	486.7%	130.6%
Weighted Average LTV Ratio on securitised loan balance	78.4%	78.4%	69.9%
# Loans currently in Special Servicing	2	2	0
Outstanding Loan Balance of Loans in Special Servicing	28,682,495	28,790,825	0
% of Total Pool of Loans in Special Servicing	12.03	12.06	0

### Summary Comments:

Loan 6 (Oriol Property), The loan matured on 31/10/2011 without repayment. The Special Servicer is working with the Borrower to achieve an orderly disposal of the remaining nine properties in the portfolio, contracts have been exchanged on four properties with completions in November 2011 for three (anticipated proceeds approximately £9m) and one in February 2012 (£2.8m). In addition interest has been shown in one other which should realise approximately £4.5m. Discussions are also taking place to refinance the residual exposure, we anticipate a full workout of the securitised position by the end of Q1 2012.

Loan 4 (Carlton House), This loan remains in Special Servicing and the Servicer continues to monitor and control all property related cash flow.

Loan 3 (Kirkglade) and Loan 5 (Fern) remain on the Servicer Watchlist due to continuing LTV covenant breaches.

Loan Distribution

Loan Name	ORIGINAL BALANCES			CURRENT BALANCES			Loan Maturity	Next Period Interest Rate (incl. of Margin)%								
	Whole Loan	Securitised Portion	B Loan	Whole Loan	Securitised Portion	B Loan		Original Securitized LTV%	Current Securitized LTV%	Original Whole Loan LTV%	Current Whole Loan LTV%	Remaining Loan Term (Mths)	Escrow Balance GBP	Whole Loan	Securitized Portion	Mortgage Repayment Type
1 - Castle Properties (Jersey) Limited	11,320,000	11,320,000		0	0		31/01/2011	79.2		79.2						Loan Prepaid 25/10/2010
2 - Chainmill Properties Limited	46,290,000	40,000,000	6,290,000	46,290,000	40,000,000	6,290,000	12/05/2013	65.6	74.1	75.9	85.7	27		1.9088%	1.8065%	Bullet
3 - Kirkglade Limited	149,810,000	129,810,000	20,000,000	147,265,000	127,604,758	19,660,243	31/10/2013	69.4	76.9	80.1	88.7	27	11,468	1.8867%	1.8097%	Amortising
4 - Carlton House Investments Limited	12,440,000	12,440,000		11,925,000	11,925,000		31/10/2014	80.3	96.2	80.3	96.2	39		2.0367%	2.0367%	Amortising (currently suspended)
5 - Fern Trustee 1 Ltd and Fern Trustee 2 Ltd as Trustees for Buchanan House Unit Trust	49,873,073	43,873,073	6,000,000	47,952,221	42,183,299	5,768,922	31/10/2013	75.0	86.1	85.3	98.1	27	180,073	1.8867%	1.7706%	Amortising
6 - Oriel Property Limited	32,999,542	23,429,675	9,569,867	26,554,333	16,757,495	9,547,575	* 31/10/2011	60.0	68.0	84.5	107.4	3		2.0367%	1.6688%	Amortising
<b>Totals</b>	<b>302,732,615</b>	<b>260,872,748</b>	<b>41,859,867</b>	<b>279,986,554</b>	<b>238,470,552</b>	<b>41,266,739</b>		<b>Weighted Average</b>								
								<b>69.9</b>	<b>78.4</b>	<b>80.8</b>	<b>91.9</b>					

**Notes:**

Interest is calculated on an Actual/365 day count basis.  
LTVs have been calculated using the most recently available property valuations.  
\* The B Loan balance for Loan 6 excludes principal cure payments made to the A Lender in accordance with the Intercreditor post default payment waterfall.

ICR / DSCR SUMMARY - MOST RECENT PERIOD

Whole Loan Basis									
ICR SUMMARY					DSCR SUMMARY				
Loan No.	Facility		Gross Interest See note 1	Net Interest (inc Hedge) See note 2	Agreement See note 3	Facility	Gross Interest See note 1	Net Interest (inc Hedge) See note 2	Agreement See note 3
1									
2	105.0	A	407.4	115.8	124.0	N/A	407.4	115.8	N/A
3	105.0		370.2	106.4	105.9	N/A	300.3	99.7	N/A
4	115.0	B	390.4	115.4	121.0	N/A	390.4	115.4	N/A
5	105.0		426.3	120.3	122.1	N/A	249.0	100.2	N/A
6	100.0		357.5	101.7	108.0	N/A	309.6	101.7	N/A

A - Cash Trap Trigger 112%

B- Cash Trap Trigger 125%

Securitized Loan Basis									
ICR SUMMARY					DSCR SUMMARY				
Loan No.	Facility		Gross Interest See note 1	Net Interest (inc Hedge) See note 2		Facility	Gross Interest See note 1	Net Interest (inc Hedge) See note 2	
1									
2	105.0		501.0	136.2		N/A	501.0	136.2	
3	105.0		447.6	124.4		N/A	359.8	116.5	
4	115.0		390.4	115.4		N/A	390.4	115.4	
5	105.0		520.3	139.4		N/A	294.8	115.7	
6	100.0		649.2	160.5		N/A	541.3	152.9	

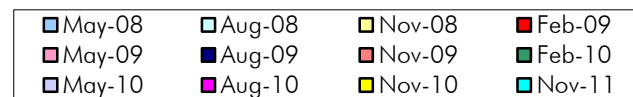
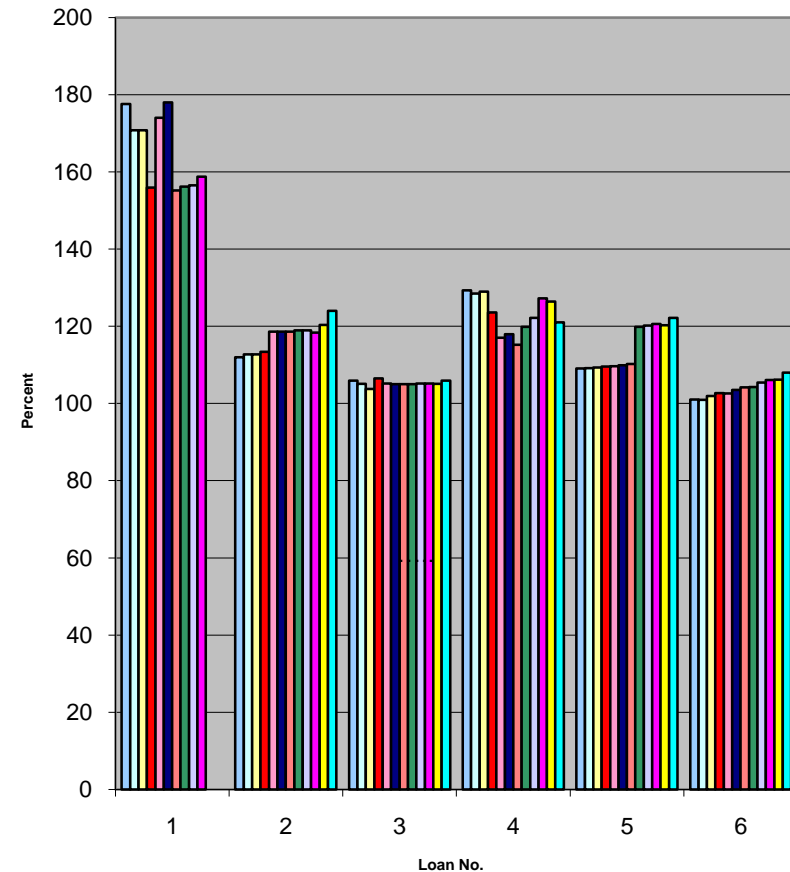
<b>Note 1</b>	Ratio calculated per requirement of CREFC report i.e. Gross Interest / Finance Cost <b>excluding</b> the benefit/cost of hedge, on a 12 month Trailing Actual basis.
<b>Note 2</b>	Ratio calculated <b>including</b> the benefit/cost of hedge, on a 12 month Trailing Actual basis.
<b>Note 3</b>	Calculated in accordance with the requirements of the Facility Agreement i.e. forecast on a <b>12 month forward looking</b> basis.

Repayments/Prepayments

Reference Obligation	Whole Loan		Securitisation						
	Original Whole Loan	Current Amount Outstanding	Original Loan	Repayment Amount	Prepayment Amount	Cumulative Scheduled Amortisation	Cumulative Unscheduled Amortisation	Unpaid Amortisation	Current Amount Outstanding
Castle Properties (Jersey) Limited	11,320,000	0	11,320,000	9,731,330	1,588,670	0	0	0	0
Chainmill Properties Limited	46,290,000	46,290,000	40,000,000	0	0	0	0	0	40,000,000
Kirkglade Limited	149,810,000	147,265,000	129,810,000	0	0	2,205,243	0	0	127,604,758
Carlton House Investments Limited	12,440,000	11,925,000	12,440,000	0	0	515,000	0	0	11,925,000
Fern Trustee 1 Ltd & Fern Trustee 2 Ltd	49,873,073	47,952,221	43,873,073	0	0	1,689,774	0	0	42,183,299
Oriel Property Limited	32,999,542	26,554,333	23,429,675	0	6,065,492	143,855	462,834	0	16,757,495
<b>Total</b>	<b>302,732,615</b>	<b>279,986,554</b>	<b>260,872,748</b>	<b>9,731,330</b>	<b>7,654,162</b>	<b>4,553,871</b>	<b>462,834</b>	<b>0</b>	<b>238,470,552</b>

ICR History (per Facility Agreement covenant)

Loan No.	1	2	3	4	5	6	WA
Covenant	120.0	105.0	105.0	115.0	105.0	100.0	105.5
Cash trap trigger	140.0	112.0	n/a	125.0	n/a	n/a	
Closing	170.9	112.0	106.2	122.5	107.9	100.3	108.4
Feb-07	177.8	112.0	106.0	129.4	107.9	100.3	108.5
May-07	186.1	112.0	105.8	133.8	107.7	100.3	110.6
Aug-07	181.5	112.0	105.8	131.9	109.6	100.3	110.7
Nov-07	184.1	112.0	105.6	131.5	109.3	100.3	110.6
Feb-08	188.2	112.0	106.4	132.7	109.1	100.2	111.1
May-08	177.6	112.0	105.9	129.3	109.1	101.0	110.4
Aug-08	170.8	112.7	105.1	128.5	109.2	100.9	110.4
Nov-08	170.8	112.7	103.8	129.0	109.3	101.9	109.3
Feb-09	155.9	113.4	106.5	123.6	109.6	102.7	110.1
May-09	174.1	118.6	105.2	117.0	109.7	102.6	110.5
Aug-09	178.0	118.6	105.0	117.9	109.9	103.5	110.7
Nov-09	155.2	118.6	105.0	115.2	110.2	104.2	109.9
Feb-10	156.2	119.0	105.0	119.9	119.9	104.2	111.8
May-10	156.5	119.0	105.1	122.2	120.2	105.4	112.1
Aug-10	158.7	118.3	105.1	127.2	120.6	106.1	112.4
Nov-10	0.0	120.3	105.1	126.4	120.3	106.2	111.1
Feb-11	0.0	121.1	105.4	131.2	121.3	106.1	111.7
May-11	0.0	118.8	105.0	129.7	120.7	106.1	111.0
Aug-11	0.0	113.6	105.7	130.3	121.4	108.0	110.9
Nov-11	0.0	124.0	105.9	121.0	122.1	108.0	112.5

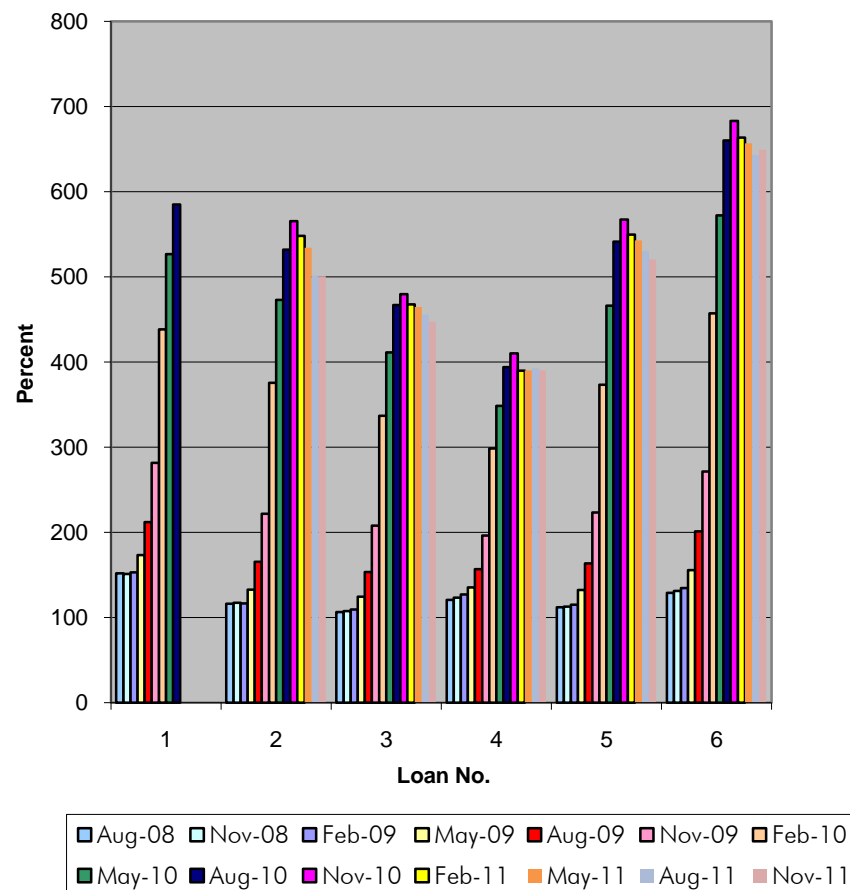


**Commentary:**

The above ICR covenant calculations have been made in accordance with the requirements of the respective Whole Loan Facility Agreements (i.e. 12 month forward looking basis).

ICR History (Securitized Loan Basis)

Loan No.	1	2	3	4	5	6	WA
Covenant	120.0	105.0	105.0	115.0	105.0	100.0	
Cash trap trigger	140.0	112.0	n/a	125.0	n/a	n/a	
Closing per OC	179.4	131.8	123.7	133.7	125.2	151.9	130.6
Feb-07	167.4	131.9	118.3	131.0	120.7	142.9	122.1
May-07	165.6	129.6	115.0	137.2	118.1	137.0	123.0
Aug-07	163.0	128.0	114.0	128.0	117.0	136.0	121.4
Nov-07	160.0	125.0	111.0	126.0	115.0	134.0	120.1
Feb-08	155.0	119.0	107.0	122.0	112.0	129.0	114.5
May-08	153.2	117.6	106.8	120.7	112.0	129.1	114.0
Aug-08	151.8	116.4	106.4	120.9	112.0	129.2	113.5
Nov-08	151.1	117.3	107.6	123.5	112.9	131.2	114.7
Feb-09	152.9	116.8	109.5	127.1	115.3	134.6	116.4
May-09	173.4	132.8	124.7	135.4	132.3	155.8	132.4
Aug-09	212.1	165.3	153.5	156.7	163.8	201.3	163.8
Nov-09	281.7	221.7	208.0	196.4	223.6	271.4	220.8
Feb-10	438.5	375.7	336.9	298.4	373.2	457.2	362.0
May-10	526.9	473.1	411.4	348.7	466.1	572.2	446.2
Aug-10	584.9	531.9	466.9	394.1	541.2	660.2	508.0
Nov-10	0.0	565.6	479.8	410.1	567.2	683.1	524.6
Feb-11	0.0	548.3	467.9	390.0	549.8	663.7	509.8
May-11	0.0	534.3	464.9	390.3	542.9	656.9	504.1
Aug-11	0.0	501.6	455.7	392.6	530.4	643.3	486.7
Nov-11	0.0	501.0	447.6	390.4	520.3	649.2	480.7

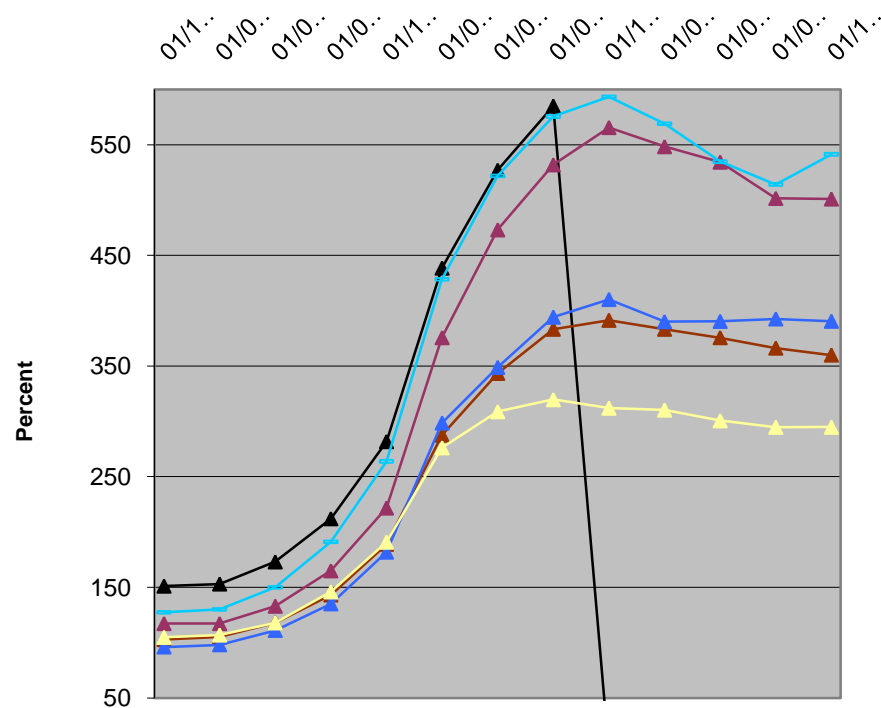


**Commentary:**  
 The ICR is calculated on the basis of NOI as a ratio to gross loan interest payable on the securitized loan (The interest cost **EXCLUDES** any financial benefit / cost derived from Interest Rate hedging arrangements). The low interest rate environment that presently exists accounts for the improvement in the ratios.



### DSCR History Securitized Loan Basis (NOI)

%	1	2	3	4	5	6
Feb-07	167	132	113	101	115	143
May-07	167	131	110	100	111	140
Aug-07	163	128	108	99	110	136
Nov-07	160	125	107	97	109	133
Feb-08	155	119	102	95	104	129
May-08	153	118	102	94	104	129
Aug-08	152	116	102	94	104	129
Nov-08	151	117	103	96	105	127
Feb-09	153	117	105	98	107	130
May-09	173	133	118	111	118	150
Aug-09	212	165	143	135	146	191
Nov-09	282	222	189	182	191	264
Feb-10	439	376	287	298	276	428
May-10	527	473	343	349	309	522
Aug-10	585	532	383	394	320	576
Nov-10	0	566	391	410	312	593
Feb-11	0	548	383	390	310	569
May-11	0	534	376	390	301	535
Aug-11	0	502	366	393	295	514
Nov-11	0	501	360	390	295	541

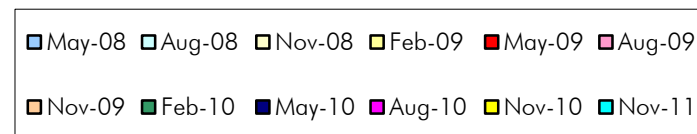
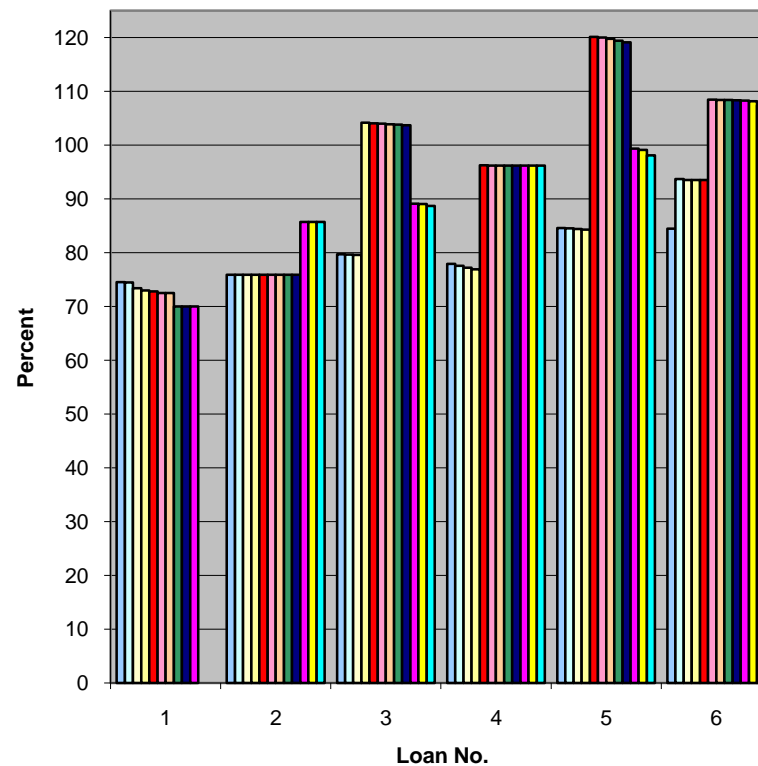


#### Commentary

DSCR is calculated on the basis of NOI as ratio to Debt Service on securitized loan. (The interest cost **EXCLUDES** any financial benefit/cost relating to Interest Rate hedging arrangements). The low interest rate environment that presently exists accounts for the improvement in the ratios.

LTV History (Whole Loan Basis)

Loan No.	1	2	3	4	5	6	WA
Covenant	75.0	n/a	80.2	85.0	85.5	85.0	
Closing	79.2	75.9	80.2	80.3	85.3	84.5	80.8
Feb-07	79.2	75.9	80.1	80.3	85.2	84.5	80.8
May-07	79.2	75.9	80.0	79.5	85.2	84.5	80.7
Aug-07	79.2	75.9	80.0	79.1	85.0	84.5	80.6
Nov-07	79.2	75.9	79.9	79.1	85.0	84.5	80.6
Feb-08	79.2	75.9	79.9	78.3	84.9	84.5	80.5
May-08	74.5	75.9	79.7	77.9	84.6	84.5	80.2
Aug-08	74.5	75.9	79.7	77.6	84.5	93.7	81.2
Nov-08	73.4	75.9	79.6	77.2	84.4	93.5	81.0
Feb-09	73.0	75.9	104.2	76.9	84.3	93.5	93.2
May-09	72.8	75.9	104.1	96.2	120.1	93.5	99.8
Aug-09	72.5	75.9	104.0	96.2	120.0	108.5	101.4
Nov-09	72.5	75.9	103.9	96.2	119.8	108.4	101.3
Feb-10	70.0	75.9	103.8	96.2	119.4	108.4	101.2
May-10	70.0	75.9	103.7	96.2	119.1	108.3	101.0
Aug-10	70.0	85.7	89.1	96.2	99.4	108.3	92.1
Nov-10	0.0	85.7	89.1	96.2	99.1	108.2	92.7
Feb-11	0.0	85.7	89.0	96.2	98.8	108.1	92.6
May-11	0.0	85.7	88.9	96.2	98.4	108.0	92.5
Aug-11	0.0	85.7	88.8	96.2	98.1	107.4	92.0
Nov-11	0.0	85.7	88.7	96.2	98.1	107.4	91.9

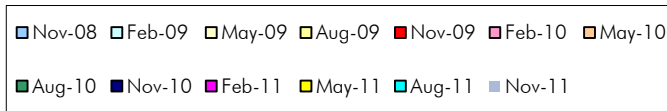
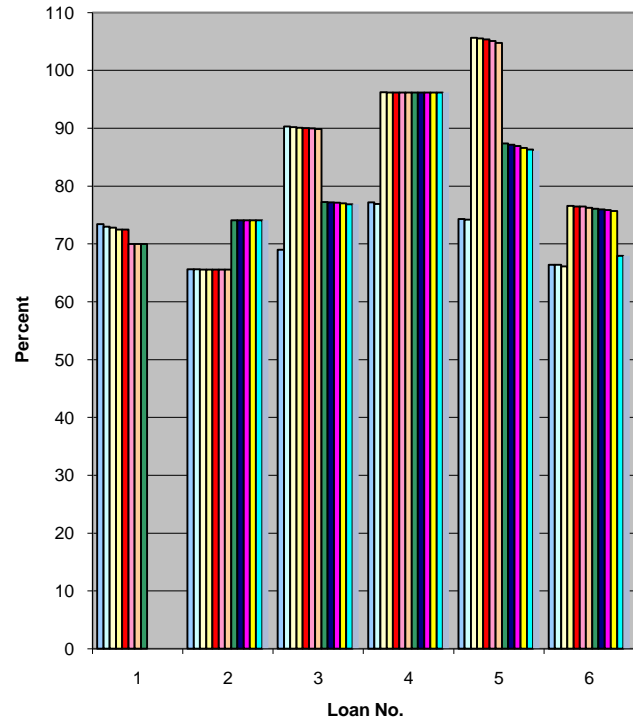


**Commentary**

The LTV covenant calculations are made in accordance with the requirements of the respective Whole Loan facility agreements.

LTV History (Securitised Loan Basis)

Loan No.	1	2	3	4	5	6	WA
Covenant (Whole Loan)	75.0	n/a	80.2	85.0	85.5	85.0	
Closing per OC	79.2	65.6	69.4	80.3	75.0	60.0	69.9
Feb-07	79.2	65.6	69.4	79.8	75.0	60.0	69.8
May-07	79.2	65.6	69.4	79.5	74.9	60.0	69.8
Aug-07	79.2	65.6	69.2	79.1	74.7	60.0	69.6
Nov-07	79.2	65.6	69.2	79.1	74.7	60.0	69.6
Feb-08	79.2	65.6	69.2	78.3	74.6	60.0	69.6
May-08	74.5	65.6	69.1	77.9	74.5	60.0	69.3
Aug-08	74.5	65.6	69.0	77.6	74.4	66.5	69.8
Nov-08	73.4	65.6	69.0	77.2	74.3	66.4	69.7
Feb-09	73.0	65.6	90.3	76.9	74.2	66.4	80.3
May-09	72.8	65.6	90.2	96.2	105.7	66.1	86.4
Aug-09	72.5	65.6	90.1	96.2	105.5	76.6	87.3
Nov-09	72.5	65.6	90.0	96.2	105.4	76.5	87.2
Feb-10	70.0	65.6	90.0	96.2	105.1	76.5	87.0
May-10	70.0	65.6	89.9	96.2	104.8	76.2	86.9
Aug-10	70.0	74.1	77.2	96.2	87.4	76.1	79.0
Nov-10	0.0	74.1	77.2	96.2	87.1	76.0	79.2
Feb-11	0.0	74.1	77.1	96.2	86.9	75.9	79.1
May-11	0.0	74.1	77.0	96.2	86.6	75.7	79.0
Aug-11	0.0	74.1	76.9	96.2	86.3	68.0	78.4
Nov-11	0.0	74.1	76.9	96.2	86.1	68.0	78.4

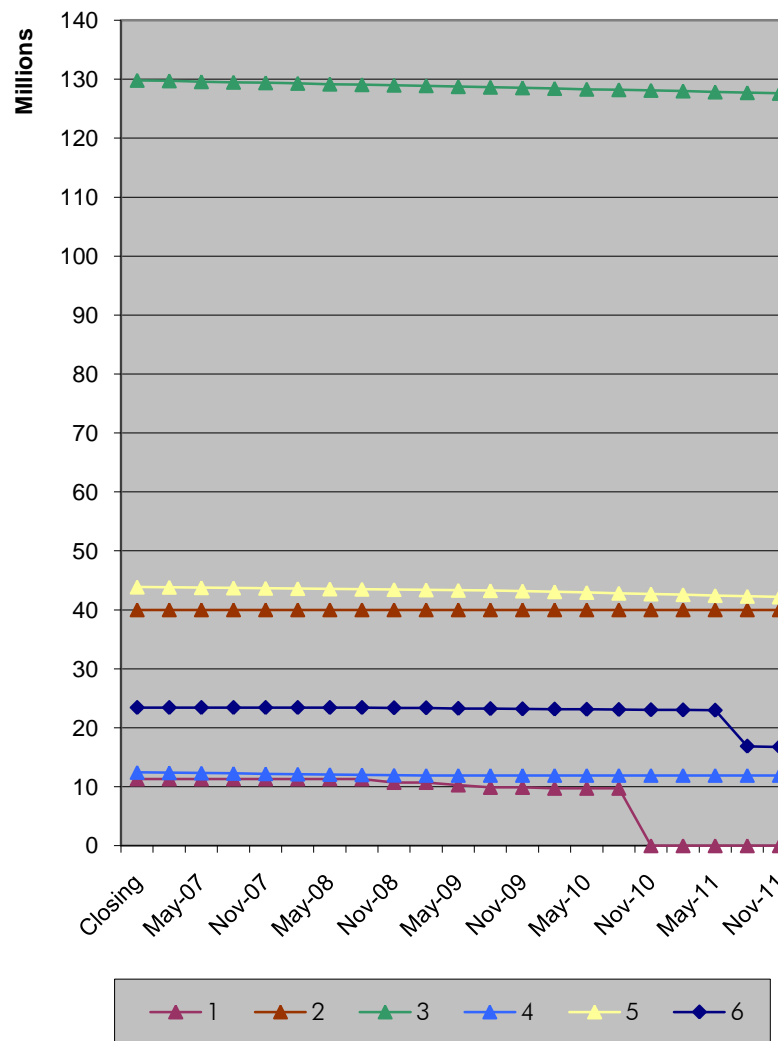


**Commentary**

The above calculations have been made on the basis of the most recent valuations against the securitised loan balance outstanding.

Balance History (Securitised Loans)

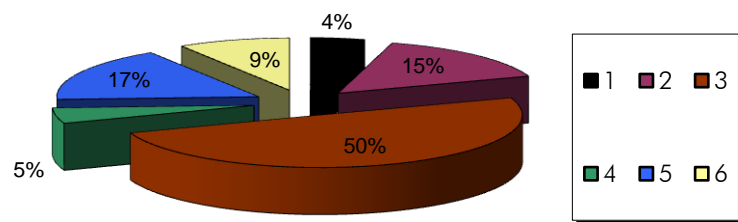
	1	2	3	4	5	6
Closing	11,320,000	40,000,000	129,810,000	12,440,000	43,873,073	23,429,675
Feb-07	11,320,000	40,000,000	129,723,350	12,380,000	43,842,207	23,424,978
May-07	11,320,000	40,000,000	129,576,045	12,320,000	43,772,758	23,424,742
Aug-07	11,320,000	40,000,000	129,485,063	12,260,000	43,723,883	23,424,440
Nov-07	11,320,000	40,000,000	129,394,080	12,200,000	43,674,269	23,423,963
Feb-08	11,320,000	40,000,000	129,303,097	12,140,000	43,623,904	23,423,479
May-08	11,320,000	40,000,000	129,168,790	12,080,000	43,558,433	23,423,332
Aug-08	11,320,000	40,000,000	129,073,475	12,020,000	43,506,316	23,422,838
Nov-08	10,720,000	40,000,000	128,986,825	11,960,000	43,453,411	23,378,152
Feb-09	10,720,000	40,000,000	128,900,175	11,925,000	43,392,562	23,375,097
May-09	10,289,876	40,000,000	128,744,205	11,925,000	43,323,667	23,279,166
Aug-09	9,881,330	40,000,000	128,644,558	11,925,000	43,268,000	23,234,318
Nov-09	9,881,330	40,000,000	128,540,578	11,925,000	43,204,376	23,197,159
Feb-10	9,731,330	40,000,000	128,436,598	11,925,000	43,080,756	23,159,824
May-10	9,731,330	40,000,000	128,306,623	11,925,000	42,955,288	23,122,309
Aug-10	9,731,330	40,000,000	128,219,973	11,925,000	42,827,941	23,084,613
Nov-10	0	40,000,000	128,111,660	11,925,000	42,698,690	23,046,722
Feb-11	0	40,000,000	128,003,348	11,925,000	42,588,566	23,020,394
May-11	0	40,000,000	127,834,380	11,925,000	42,434,726	22,970,171
Aug-11	0	40,000,000	127,721,735	11,925,000	42,299,592	16,865,825
Nov-11	0	40,000,000	127,604,758	11,925,000	42,183,299	16,757,495



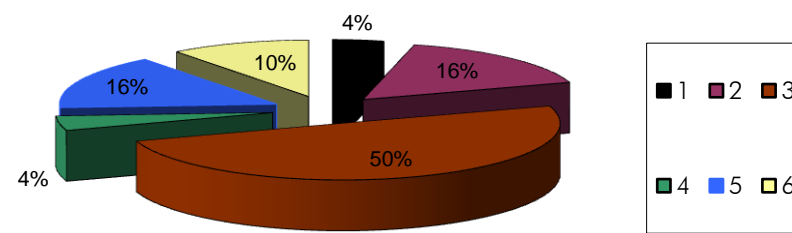
Balance / Valuation History (Cut Off)

Reference Obligation	No of Properties	No of Tenants	Reference Obligation Amount (Cut Off)	Cut off Valuation	Valuer	Valuation Date	Property Type	Region
1	5	26	11,320,000	14,300,000	Cushman and Wakefield, Healey and Baker	28/10/2005	Mixed Use - Industrial, Retail and Office	Jersey, UK
2	1	3	40,000,000	61,000,000	GVA Grimley LLP	03/05/2006	Office	London, UK
3	1	9	129,810,000	187,000,000	Jones Lang Lasalle	03/08/2006	Office	London, UK
4	3	43	12,440,000	15,500,000	GVA Grimley LLP	27/06/2006	Mixed Use Commercial	Midlands, UK
5	1	3	43,873,073	58,500,000	Jones Lang Lasalle	02/08/2006	Office	Scotland, UK
6	11	1	23,429,675	39,050,000	Colliers CRE	29/08/2006	Retail	UK, various
<b>Total</b>	<b>22</b>	<b>85</b>	<b>260,872,748</b>	<b>375,350,000</b>				

Obligation Amount



Cut off Valuation

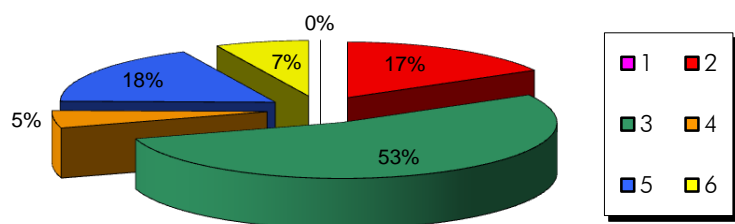


Balance / Valuation History (Current)

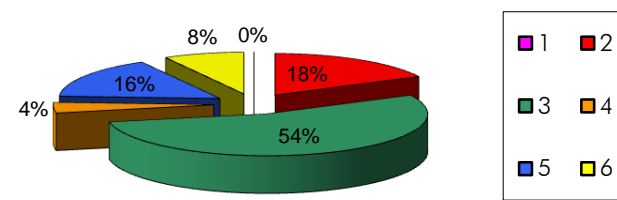
Reference Obligation	No of Properties	No of Tenants (Commercial)	Reference Obligation Amount (Current)	Current Valuation	Valuer	Valuation Date	Property Type	Region
1	0	0	0	0				
2	1	6	40,000,000	54,000,000	DTZ	23/02/2010	Office	London, UK
3	1	9	127,604,758	166,000,000	Jones Lang Lasalle	18/06/2010	Office	London, UK
4	3	39	11,925,000	12,390,000	GVA Grimley LLP	16/04/2009	Mixed Use Commercial	Midlands, UK
5	1	3	42,183,299	49,000,000	Jones Lang Lasalle	24/06/2010	Office	Scotland, UK
6	11	1	16,757,495	24,815,000	* Colliers CRE	01/06/2009	Retail	UK, various
<b>Total</b>	<b>17</b>	<b>58</b>	<b>238,470,552</b>	<b>306,205,000</b>				

\* value adjusted for sales

Balance History

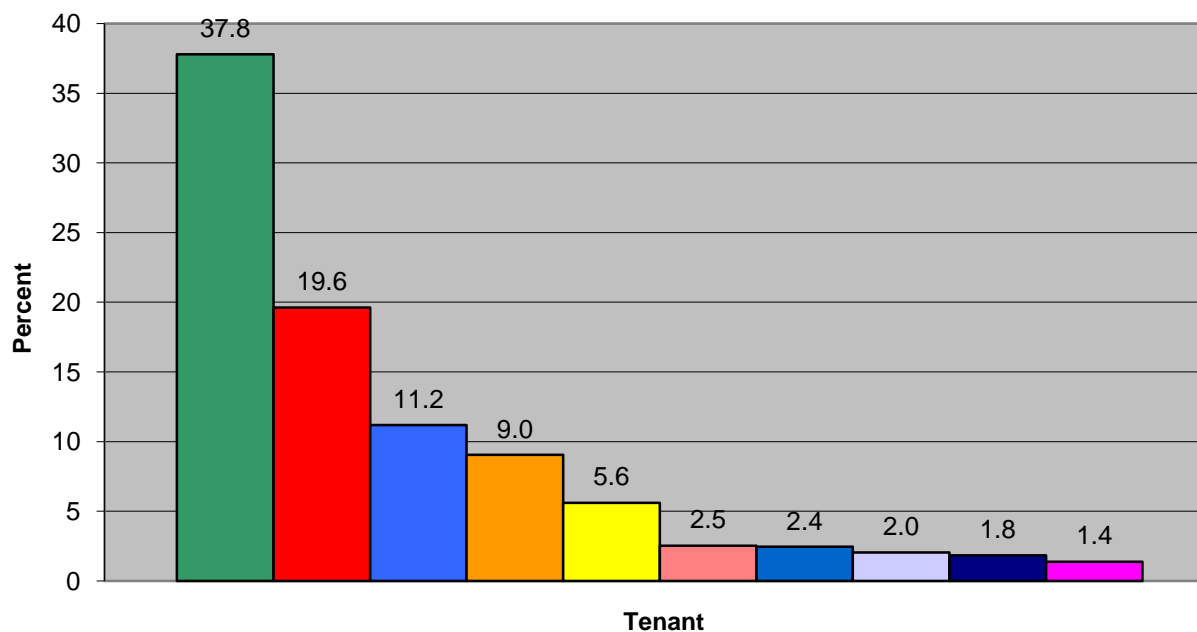


Current Valuation



Top 10 Tenants

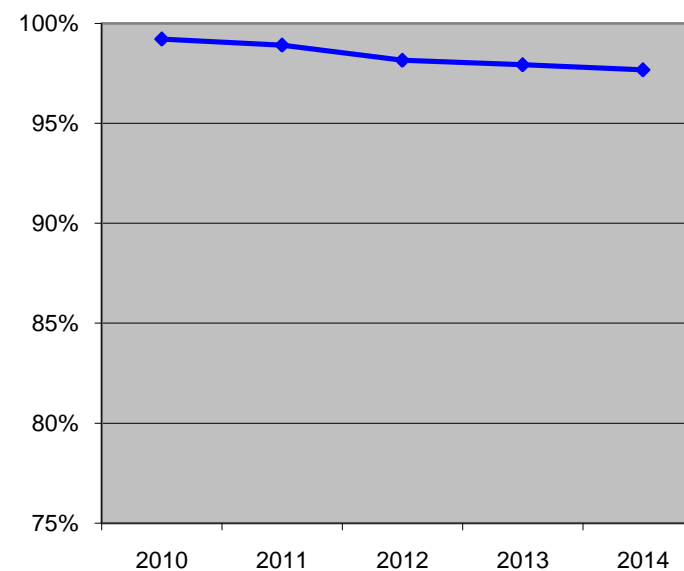
Rank	Tenant	Net Rental Income p.a (£)	%of Net Annual rent	Cumulative %
1	John Lewis Partnership	7,400,000	37.8	37.8
2	McKinsey and Co Inc UK	3,841,944	19.6	57.4
3	Network Rail Infrastructure	2,190,456	11.2	68.6
4	Somerfield Stores Ltd	1,769,702	9.0	77.7
5	Transport Scotland	1,097,635	5.6	83.3
6	National Westminster Bank plc	495,000	2.5	85.8
7	ACM Shipping Limited	477,800	2.4	88.2
8	Mc Donalds Property Company Ltd	397,500	2.0	90.3
9	DSG Retail Ltd	360,000	1.8	92.1
10	Out of Africa t/a Mint Leaf	270,000	1.4	93.5



## Lease Expiry Profile

Year	Rental Income Expiring (%)	Total Income Less Expiry (%)	Rental Income Expiring / Breaking (£)	Total Income Less Expiry (£)
2010	0.79%	99.21%	£164,300	£19,561,551
2011	0.30%	98.91%	£62,960	£19,498,591
2012	0.76%	98.15%	£158,129	£19,340,462
2013	0.22%	97.93%	£46,650	£19,293,812
2014	0.25%	97.68%	£52,600	£19,241,212
2015	5.31%	92.36%	£1,109,300	£18,131,912
2016	2.00%	90.36%	£418,140	£17,713,772
2017	0.11%	90.25%	£23,756	£17,690,016
2018	18.83%	71.41%	£3,931,019	£13,758,997
2019	1.76%	69.65%	£368,049	£13,390,948
2020	0.82%	68.82%	£172,000	£13,218,948
2021	5.32%	63.50%	£1,111,090	£12,107,858
2022	0.57%	62.93%	£118,500	£11,989,358
2024	11.66%	51.27%	£2,434,656	£9,554,702
2031 and later	45.78%	5.49%	£9,554,702	£0

**Total Income Less Expiry %**





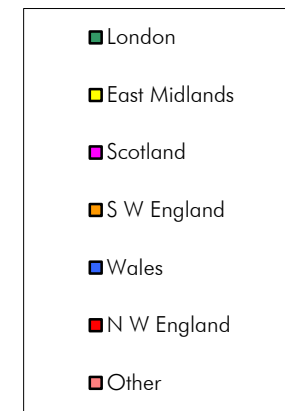
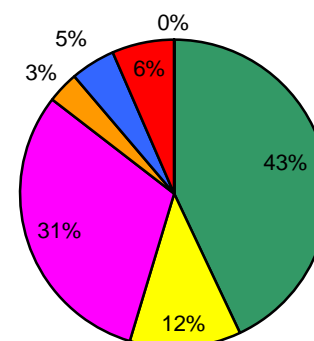
Vacancies / Voids

Loan	Lettable area (Sq ft)	Vacant area (Sq ft)	Vacancy % (cut off)	Vacancy (previous quarter)	Vacancy (current)
1	0	0	0.0%	0.0%	0.0%
2	70,169	0	0.0%	0.0%	0.0%
3	224,935	0	0.0%	0.0%	0.0%
4	71,880	6,578	0.8%	3.8%	9.2%
5	196,871	3,448	1.7%	1.8%	1.8%
6	122,869	0	0.0%	0.0%	0.0%
<b>Total</b>	<b>686,724</b>	<b>10,026</b>	<b>0.81%</b>	<b>0.90%</b>	<b>1.46%</b>

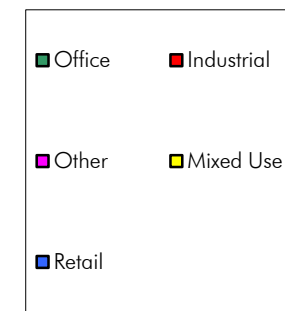
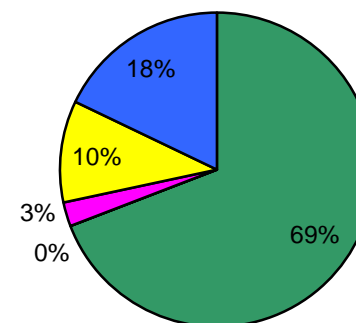
Region	Lettable area (Sq ft)	Vacant area (Sq ft)	Vacancy % (cut off)	Vacancy (previous quarter)	Vacancy (current)
London	295,104	0	0.0%	0.0%	0.0%
East Midlands	80,256	6,578	8.2%	3.4%	8.2%
Scotland	211,491	3,448	1.6%	1.6%	1.6%
S W England	22,779	0	0.0%	0.0%	0.0%
Wales	32,247	0	0.0%	0.0%	0.0%
N W England	44,847	0	0.0%	0.0%	0.0%
Other	0	0	0.0%	0.0%	0.0%
<b>Total</b>	<b>686,724</b>	<b>10,026</b>	<b>0.81%</b>	<b>0.90%</b>	<b>1.46%</b>

Sector	Lettable area (Sq ft)	Vacant area (Sq ft)	Vacancy % (cut off)	Vacancy (previous quarter)	Vacancy (current)
Office	474,933	6,775	0.8%	1.2%	1.4%
Industrial	0	0	11.8%	0.0%	0.0%
Other	17,042	0	0.0%	0.0%	0.0%
Mixed Use	71,880	0	0.0%	0.0%	0.0%
Retail	122,869	3,251	2.6%	0.5%	2.6%
<b>Total</b>	<b>686,724</b>	<b>10,026</b>	<b>0.81%</b>	<b>0.90%</b>	<b>1.46%</b>

Lettable Area by Region (Sq Ft)

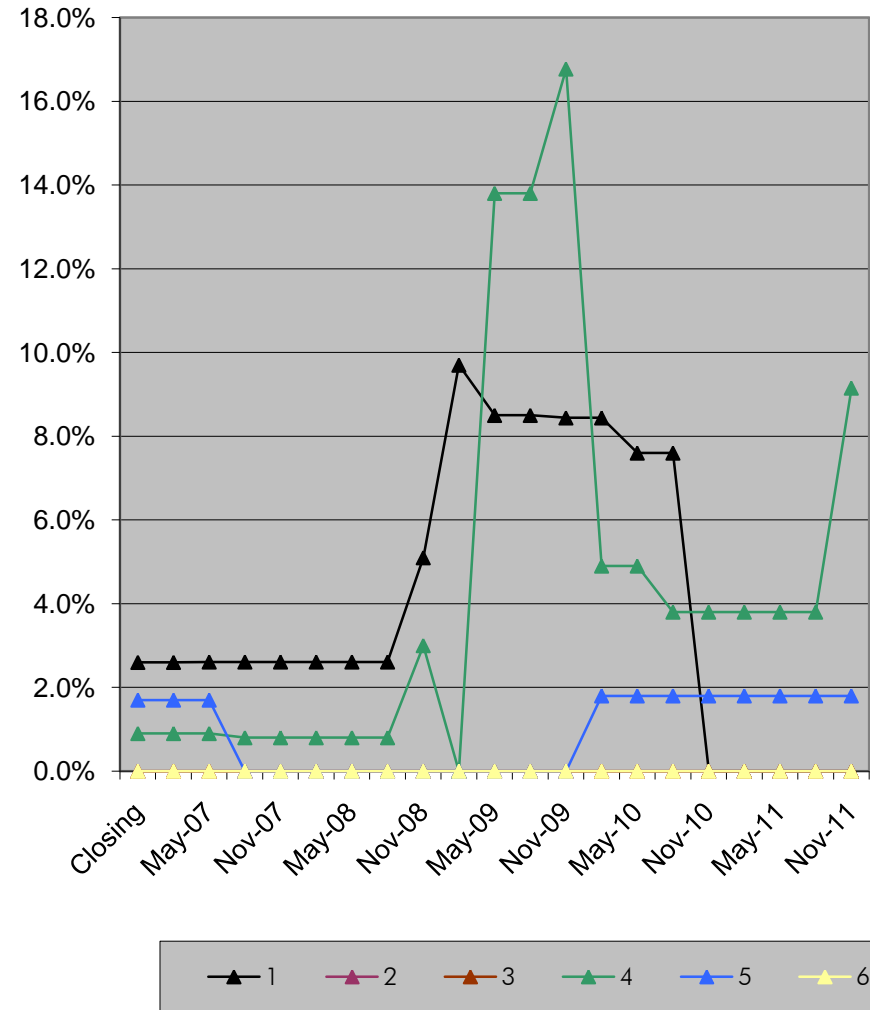


Lettable Area by Sector (Sq Ft)



Vacancy History

	1	2	3	4	5	6
Closing	2.6%	0.0%	0.0%	0.9%	1.7%	0.0%
Feb-07	2.6%	0.0%	0.0%	0.9%	1.7%	0.0%
May-07	2.6%	0.0%	0.0%	0.9%	1.7%	0.0%
Aug-07	2.6%	0.0%	0.0%	0.8%	0.0%	0.0%
Nov-07	2.6%	0.0%	0.0%	0.8%	0.0%	0.0%
Feb-08	2.6%	0.0%	0.0%	0.8%	0.0%	0.0%
May-08	2.6%	0.0%	0.0%	0.8%	0.0%	0.0%
Aug-08	2.6%	0.0%	0.0%	0.8%	0.0%	0.0%
Nov-08	5.1%	0.0%	0.0%	3.0%	0.0%	0.0%
Feb-09	9.7%	0.0%	0.0%	0.0%	0.0%	0.0%
May-09	8.5%	0.0%	0.0%	13.8%	0.0%	0.0%
Aug-09	8.5%	0.0%	0.0%	13.8%	0.0%	0.0%
Nov-09	8.4%	0.0%	0.0%	16.8%	0.0%	0.0%
Feb-10	8.4%	0.0%	0.0%	4.9%	1.8%	0.0%
May-10	7.6%	0.0%	0.0%	4.9%	1.8%	0.0%
Aug-10	7.6%	0.0%	0.0%	3.8%	1.8%	0.0%
Nov-10	0.0%	0.0%	0.0%	3.8%	1.8%	0.0%
Feb-11	0.0%	0.0%	0.0%	3.8%	1.8%	0.0%
May-11	0.0%	0.0%	0.0%	3.8%	1.8%	0.0%
Aug-11	0.0%	0.0%	0.0%	3.8%	1.8%	0.0%
Nov-11	0.0%	0.0%	0.0%	9.2%	1.8%	0.0%



**Commentary**

Notes to Table

**Loan 1** **Castle Properties (Jersey) Limited**

Loan Information	
Original Loan Balance £	£11,320,000
Current Loan Balance	£0
Amortisation per quarter £	Nil
Prepayment	£9,731,330
Status	<b>Loan Repaid 25/10/10</b>
Dividend Trap exceeded	

Property Information	
Number of Properties	
Location/s	
Sector	
Total sq ft	
Vacancy sq ft	
Vacancy rate	
Passing Rent p.a.	
Net Rent p.a.	
No of Tenants	

Top 5 Tenants (Commercial)			
Tenant	Rent p.a.	Expiry Date	% of total rent

Financial Information		
%	Whole	Securitized
Calculation per CREFC		
Loan to Value		
ICR		
DSCR		
Calculation per Facility Agreement		
Loan to Value		
ICR*		
DSCR		

\* 12 month forward looking covenant

**Commentary**

The Borrower prepaid the loan in full on the 25/10/2010

Notes to Table

**Loan 2 Chainmill Properties Limited**

Loan Information	
Original Loan Balance	£40,000,000
Current Loan Balance	£40,000,000
Amortisation per quarter	Nil
Prepayment	0
Status	Current
Dividend Trap exceeded	No

Property Information	
Number of Properties	1
Location/s	London
Sector	Office
Total sq ft	70,169
Vacancy sq ft	0
Vacancy rate	0.0%
Passing Rent p.a.	£4,115,224
Net Rent p.a.	£3,526,162
No of Tenants	2

Top 5 Tenants			
Tenant	Rent p.a.	Expiry Date	% of total rent
Mc Kinsey and Co Inc UK	£3,841,944	24/03/2018	93.4%
Out of Africa	£270,000	28/09/2037	6.6%
Robson Services Limited	£3,280	01/08/2011	0.1%

Financial Information		
%	Whole	Securitised
Calculation per CREFC		
Loan to Value	85.7	74.1
ICR	407.4	501.0
DSCR	407.4	501.0
Calculation per Facility Agreement		
Loan to Value	85.7	74.1
ICR*	124.0	N/A
DSCR	N/A	N/A

\* 12 month forward looking covenant

**Commentary**

Loan continues to perform in accordance with the terms of the underlying Facility Agreement.  
The Lease reversion of the ground and first floor office space to McKinsey became effective 29/9/2011 at a rent of £989,500p.a.or Market rate whichever is the lower. The market rent is currently being determined.  
The increased rental income accounts for the improvement in the ICR ratio.

Notes to Table

**Loan 3** **Kirkglade Limited**

Loan Information	
Original Loan Balance	£129,810,000
Current Loan Balance	£127,604,758
Amortisation per quarter	per amortisation schedule
Prepayment	0
Status	<b>Watch List</b>
Dividend Trap exceeded	No

Property Information	
Number of Properties	1
Location/s	London
Sector	Office
Total sq ft	224,935
Vacancy sq ft	0
Vacancy rate	0.0%
Passing Rent p.a.	£9,280,600
Net Rent p.a.	£9,280,600
No of Tenants	9

Top 5 Tenants			
Tenant	Rent p.a.	Expiry Date	% of total rent
John Lewis Partnership	£7,400,000	20/04/2031*	79.7%
Nat West Bank plc	£495,000	29/09/2015	5.3%
Mc Donalds Property Ltd	£397,500	28/09/2015	4.3%
DSG Retail Ltd	£360,000	24/03/2016	3.9%
People Phone Limited	£170,500	20/11/2015	1.8%

Financial Information		
%	Whole	Securitised
Calculation per CREFC		
Loan to Value	88.7	76.9
ICR	370.2	447.6
DSCR	300.3	359.8
Calculation per Facility Agreement		
Loan to Value	88.7	76.9
ICR*	105.7	N/A
DSCR	N/A	N/A

\* 12 month forward looking covenant

**Commentary**

The CREFC calculations for ICR and DSCR both **exclude** the **cost** of hedging.  
 The loan remains on the Servicer Watch list due to a continuing breach in the LTV covenant.  
 The renewal of the Moss Bros lease which expired in March 2010 has now been agreed with documentation pending, the new rent will be £126,100 per annum on a 10 year lease with a five year review.

Notes to Table

**Loan 4 Carlton House Investments Limited**

Loan Information	
Original Loan Balance	£12,440,000
Current Loan Balance	£11,925,000
Amortisation per quarter	per amortisation schedule
Prepayment	0
Status	<b>Special Servicing</b>
Dividend Trap exceeded	Yes

Property Information	
Number of Properties	3
Location/s	Midlands
Sector	Mixed Use Commercial
Total sq ft	71,880
Vacancy sq ft	2,706
Vacancy rate	3.8%
Passing Rent p.a.	£1,022,086
Net Rent p.a.	£1,022,086
No of Tenants	37 (commercial)

Top 5 Tenants			
Tenant	Rent p.a.	Expiry Date	% of total rent
Town & Country Inns plc	£93,500	01/09/2034	9.15%
Four Oaks Medical Centre	£92,500	30/06/2022	9.05%
Fitness First Clubs	£80,000	30/12/2024	7.83%
99p Stores Ltd	£60,000	22/12/2019	5.87%
Majestic Wines	£50,540	20/09/2016	4.94%

Financial Information		
%	Whole	Securitized
Calculation per CREFC		
Loan to Value	96.2	96.2
ICR	390.4	390.4
DSCR	390.4	390.4
Calculation per Facility Agreement		
Loan to Value	96.2	96.2
ICR*	121.0	121.0
DSCR	N/A	N/A

\* 12 month forward looking covenant

**Commentary**

The loan remains in Special Servicing and is subject to close monitoring of the cash flow, the Servicer continues to approve all items of expenditure in accordance with a pre agreed property cash flow.

The ex-Harvey World unit has now been relet, but overall vacancy has increased this quarter due to Pier 39 Restaurant going out of business (rent £56,500 p.a.) and vacancy is now at 9.15% by area and 7.35% by ERV. Discussions are currently taking place with a new operator for the restaurant and terms have been agreed.

The loan remains current on the basis of the renegotiated terms (i.e. amortisation holiday), we are currently in discussion with the Borrower concerning the amortisation holiday which comes to an end in January 2012

Notes to Table

**Loan 5** **Fern Trustee 1 Ltd and Fern Trustee 2 Ltd**

Loan Information	
Original Loan Balance	£43,873,073
Current Loan Balance	£42,183,299
Amortisation per quarter	per amortisation schedule
Prepayment	0
Status	<b>Watch List</b>
Dividend Trap exceeded	No

Property Information	
Number of Properties	1
Location/s	Scotland
Sector	Office
Total sq ft	196,871
Vacancy sq ft	3,448
Vacancy rate	1.8%
Passing Rent p.a.	£3,506,339
Net Rent p.a.	£3,506,339
No of Tenants	3

Top 5 Tenants			
Tenant	Rent p.a.	Expiry Date	% of total rent
Network Rail Infrastructure	£2,190,456	28/11/2024	62.5%
Transport Scotland	£1,097,635	28/04/2021	31.3%
Scott Wilson Railways	£218,248	28/11/2019	6.2%

Financial Information		
%	Whole	Securitized
Calculation per CREFC		
Loan to Value	98.1	86.1
ICR	426.3	520.3
DSCR	249.0	294.8
Calculation per Facility Agreement		
Loan to Value	98.1	86.1
ICR*	122.1	N/A
DSCR	N/A	N/A

\* 12 month forward looking covenant

**Commentary**

The CREFC calculations for ICR and DSCR both **exclude** the **cost** of hedging.

The loan remains on the Servicer Watch list due to a continuing breach in the LTV covenant.

The leases to Network Rail Infrastructure and Scott Wilson Railways were subject to a minimum fixed uplift rent review on the 28/11/2009, whilst the minimum uplift is being paid negotiations have yet to be concluded to determine whether the market rent is greater than the guaranteed minimum uplift amount.

Notes to Table

**Loan 6** **Oriel Property Limited**

Loan Information	
Original Loan Balance	£23,429,675
Current Loan Balance	£16,757,495
Amortisation per quarter	per amortisation schedule
Prepayment	0
Status	<b>Special Servicing</b>
Dividend Trap exceeded	No

Property Information	
Number of Properties	9
Location/s	Various UK
Sector	Retail
Total sq ft	122,869
Vacancy sq ft	0
Vacancy rate	0.0%
Passing Rent p.a.	£1,769,702
Net Rent p.a.	£1,769,702
No of Tenants	1

Top 5 Tenants			
Tenant	Rent p.a.	Expiry Date	% of total rent
Somerfield Stores Limited	£1,769,702	20/09/2036	100.00%
<b>rent is subject to fixed uplift of 2.25% p.a. effective 26/9</b>			

Financial Information			
%	Whole	Securitised	
<b>Calculation per CREFC</b>			
Loan to Value	107.4	68.0	
ICR	357.5	649.2	
DSCR	309.6	541.3	
<b>Calculation per Facility Agreement</b>			
Loan to Value	107.4	68.0	
ICR*	108.0	N/A	
DSCR	N/A	N/A	

\* 12 month forward looking covenant

**Commentary**

The CREFC calculations for ICR and DSCR both **exclude** the **cost** of hedging.

The Loan Matured on 31/10/2011 without achieving full repayment. The Special Servicer is working closely with the Borrower on an asset disposal programme to achieve an orderly disposal of the remaining nine properties in the portfolio. To date contracts have been exchanged on four properties with three completions scheduled for various dates in November 2011 (anticipated proceeds approximately £9m) and one in February 2012 (£2.8m). In addition discussions are at an advanced stage for the sale of one other at £4.5m. These sales will leave a shortfall of approximately £500,000 to fully repay the securitised portion of the loan, however running in parallel with the disposals are discussions with the Junior lender in the whole loan to refinance the residual securitised debt against the remaining portfolio unless the remaining properties are sold. We anticipate a full workout of the securitised position by the end of Q1 2012.



Amortisation

Loan No:	3		4		5		6	
Period	Scheduled Amortisation on Securitised Loan	Actual Amortisation on Securitised Loan	Scheduled Amortisation on Securitised Loan	Actual Amortisation on Securitised Loan	Scheduled Amortisation on Securitised Loan	Actual Amortisation on Securitised Loan	Scheduled Amortisation on Securitised Loan	Actual Amortisation on Securitised Loan
Jan-07	86,650	86,650	60,000	60,000	30,866	30,866	295	4,697
Apr-07	147,305	147,305	60,000	60,000	69,449	69,499	236	236
Jul-07	90,983	90,983	60,000	60,000	48,875	48,875	302	302
Oct-07	90,983	90,983	60,000	60,000	49,614	49,614	477	477
Jan-08	90,983	90,983	60,000	60,000	50,365	50,365	484	484
Apr-08	134,308	134,308	60,000	60,000	65,471	65,471	146	146
Jul-08	95,315	95,315	60,000	60,000	52,117	52,117	494	494
Oct-08	86,650	86,650	60,000	60,000	52,905	52,905	258	44,687
Jan-09	86,650	86,650	35,000 *	35,000	60,850	60,850	3,054	3,054
Apr-09	155,970	155,970	NIL *	NIL	68,894	68,894	7,074	95,931
Jul-09	99,648	99,648	NIL *	NIL	55,668	55,668	420	420
Oct-09	103,980	103,980	NIL *	NIL	63,624	63,624	11,422	11,422
Jan-10	103,980	103,980	NIL *	NIL	123,619	123,619	11,598	11,598
Apr-10	129,975	129,975	NIL *	NIL	125,469	125,469	11,777	11,777
Jul-10	86,650	86,650	NIL *	NIL	127,346	127,346	11,959	11,959
Oct-10	108,313	108,313	NIL *	NIL	129,251	129,251	20,532	20,532
Jan-11	108,313	108,313	NIL *	NIL	110,124	110,124	8,969	8,969
Apr-11	168,968	168,968	NIL *	NIL	153,839	153,839	32,863	32,863
Jul-11	112,645	112,645	NIL *	NIL	135,135	135,135	21,495	21,495
Oct-11	116,978	116,978	NIL *	NIL	116,292	116,292	23,285,820	0
Jan-12	116,978		130,000		131,961			
Apr-12	155,970		130,000		147,785			
Jul-12	121,310		130,000		136,192			
Oct-12	86,650		140,000		138,252			
Jan-13	86,650		140,000		140,343			
Apr-13	181,965		140,000		162,930			
Oct-13	126,729,593		150,000		41,180,905			
Jan-14			150,000					
Apr-14			150,000					
Jul-14			150,000					
Oct-14			10,365,000					

\* amortisation holiday period

## Delinquency Information

### 1 Arrears, Losses and Recoveries

#### 1.1 Loan arrears at the end of the Collection Period .

Days in Arrears	No. of Accounts	Arrears Balance	Total Balance
1-90	1	0	0
91-180	1	24,450	24,450
> 180	1	406,075	406,075

#### Commentary:

Arrears relate to shortfalls on WHOLE LOAN amortisation due since 30/1/2009 in respect of Loan 6, the securitised element is current as the Whole Loan amortisation is being met by the B Lender in accordance with the terms of the post default payment waterfall.

#### 1.2 No loan enforcement proceedings had begun at the end of the Collection Period

Months in Arrears	No. of Accounts	Arrears Balance	Total Balance	Status	Provision	Comments
1-3	Nil	Nil	Nil	N/A	N/A	N/A
4-6	Nil	Nil	Nil	N/A	N/A	N/A
7-9	Nil	Nil	Nil	N/A	N/A	N/A
10-12	Nil	Nil	Nil	N/A	N/A	N/A
>12	Nil	Nil	Nil	N/A	N/A	N/A

#### Commentary:

#### 1.3 There are no ongoing loan enforcement proceedings

Borrower	Amount Written Off	Provision	Enforcement	Comments
N/A	Nil	N/A	N/A	N/A

#### Commentary:

There are no breaches of any terms of the Loans known to the Servicer likely to prejudice the value of the Loan

#### 1.4

Borrower	Nature of Breach	Commenced	Comments

#### Commentary

Orders for possession have been granted in respect of:  
N/A

Orders for possession are pending in respect of:  
N/A

## SPECIAL NOTICES ISSUED

## NEMUS II (Arden) plc

31-Oct-11

**Somerfield Portfolio Loan**

Further to the Notice issued on 27 May 2011, CB Richard Ellis Loan Servicing Limited ("**CBRELS**") has been in continuing dialogue with the Borrower. The remaining properties have been marketed as a result of which contracts have been exchanged for the sale of two more Properties. None of the Net Sale Proceeds, which are expected to exceed the aggregate Somerfield Allocated Loan Amounts for the two properties, will be received before the next Interest Payment Date ("**IPD**"). The sale of these Properties is subject to normal market terms and conditions and as with any property transaction, there can be no certainty that a successful sale will be completed.

The Borrower has indicated that due to the difficulties experienced in the financial markets and the consequent effect on the real estate market, the loan will not be repaid on the Loan Maturity Date (31 October 2011), which represents a further default under the relevant Facility Agreement. The hedging arrangements related to this loan also expire at the next IPD.

CBRELS continue to work with the Borrower on achieving a repayment solution, either by sale of further Properties or a refinancing of the remainder of the Somerfield Portfolio and negotiations continue in respect of a number of other Properties. As with any property transaction, there can be no certainty as to whether any offers will be accepted, that offers received will result in Net Sale Proceeds in excess of the relevant Somerfield Allocated Loan Amounts, or that a successful sale will be completed.

Loan SWAP Rate Information

Loan	Rate Management	Fixed rate maturity date	Original Notional (£m)	Current Notional (£)	Swap Fixed Rate (excl. Margin)	Whole Loan Margin	Interest Rate (Incl. Margin)	Swap Counterparty
Loan No 1	Swap		9,622,000					
Loan No 2	Swap	10/07/2013	46,290,000	46,290,000	5.170%	0.9500%	6.1200%	HSBC Bank plc
Loan No 3	Extendable Swap	31/10/2013	150,000,000	147,265,000	4.990%	0.9000%	5.8900%	HSBC Bank plc
Loan No 4	Swap	31/10/2014	12,500,000	11,190,000	5.400%	1.0500%	6.4500%	HSBC Bank plc
Loan No 5	Swap	31/10/2013	50,000,000	47,952,221	5.100%	0.9000%	6.0000%	HSBC Bank plc
Loan No 6	Swap	31/10/2011	26,575,250	0	Swap Expired 31/10/11			HSBC Bank plc
	Swap	31/10/2011	6,424,532	0	Swap closed out 20/5/2011			HSBC Bank plc

**Issuer**

NEMUS II (Arden) plc  
35 Great St. Helen's  
London EC3A 6AP

**Swap Counterparty**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

**Calculation and Reporting Agent**

Wells Fargo Securitisation  
Services Limited, 25 Canada  
Square, London E14 5LQ

**Loan Servicer and Special Servicer**

CB Richard Ellis Loan  
Servicing Limited,  
Henrietta House, Henrietta  
Place, London W1G 0NB

**Loan Security Agent**

HSBC Trustee (CI) Limited, 1  
Grenville Street  
St Helier,  
Jersey JE4 9PF

**Principal Paying Agent,  
Operating Bank**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

**Cash Manager and Agent Bank**

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

**Note Trustee and Issuer Security Trustee**

The Law Debenture Trust  
Corporation plc  
Fifth Floor,  
100 Wood Street,  
London, EC2V 7EX

This report has been prepared by CB Richard Ellis Loan Servicing Limited.

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This report and all previous reports can be viewed on a dedicated Investor website, please go to [www.cbre.eu/nemus](http://www.cbre.eu/nemus)