IMPORTANT NOTICE

THE SECURITIES DESCRIBED HEREIN ARE AVAILABLE ONLY TO INVESTORS LOCATED OUTSIDE THE UNITED STATES WHO ARE NON-U.S. PERSONS (AS DEFINED BELOW)

PURCHASING THE SECURITIES IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT

IMPORTANT: You must read the following before continuing. The following applies to the prospectus (the "**Prospectus**") attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. By accessing the Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree to the terms set out herein, (b) you consent to delivery of the Prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act), (d) you are a non-U.S. person (within the meaning of Rule 4.7 under the U.S. Commodities Exchange Act of 1936, as amended) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (e) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005.

The Prospectus 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 electronic transmission and consequently neither Goldman Sachs International nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from Goldman Sachs International.

MODA 2014 S.R.L.

(incorporated with limited liability under the laws of the Republic of Italy)

€145,100,000 Class A Commercial Mortgage Backed Notes due 2026
€100,000 Class X1 Commercial Mortgage Backed Note due 2026
€100,000 Class X2 Commercial Mortgage Backed Note due 2026
€14,600,000 Class B Commercial Mortgage Backed Notes due 2026
€17,700,000 Class C Commercial Mortgage Backed Notes due 2026
€3,822,000 Class D Commercial Mortgage Backed Notes due 2026
€17,000,000 Class E Commercial Mortgage Backed Notes due 2026

Issue Price: 100 per cent.

This document constitutes a *Prospetto Informativo* for the purposes of article 2, sub-section 3 of Italian Law number 130 of 30 April 1999 and a "**Prospectus**" prepared in accordance with the Directive 2003/71/EC (as amended from time to time, the "**Prospectus Directive**") for the purpose of article 5 of the Prospectus Directive in connection with the application for the Notes to be admitted to the official list of the Irish Stock Exchange (the "**Prospectus**").

The Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC. The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under the Irish and EU law pursuant to the Directive 2003/71/EC. Such approval relates only to €145,100,000 Class A Commercial Mortgage Backed Notes due 2026 (the "**Class A Notes**"), €100,000 Class X1 Commercial Mortgage Backed Note due 2026 (the "**Class X1 Note**"), €100,000 Class X2 Commercial Mortgage Backed Note due 2026 (the "**Class X2 Note**" and together with the Class X1 Note and the Class X2 Note, the "**Class X Notes**"), €14,600,000 Class B Commercial Mortgage Backed Notes due 2026 (the "**Class B Notes**"), €17,700,000 Class C Commercial Mortgage Backed Notes due 2026 (the "**Class C Notes**"), €3,822,000 Class D Commercial Mortgage Backed Notes due 2026 (the "**Class D Notes**"), and €17,000,000 Class E Commercial Mortgage Backed Notes due 2026 (the "**Class E Notes**" and, together with the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**") which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for the Notes of Moda 2014 S.r.l., a società a responsabilità limitata organised under the laws of the Republic of Italy and in particular Italian law number 130 of 30 April 1999, (the "**Issuer**") for the Notes to be admitted to the official list of the Irish Stock Exchange (the "**Official List**") and to trading on its regulated market (the "**Main Securities Market**"). The Notes will be issued on the Issue Date.

The principal source of payment of interest on the Notes, and of repayment of principal on the Notes will be the collections and recoveries made in respect of monetary claims and connected rights arising out of (i) the €78,437,500 loan agreement entered into by, among others, Goldman Sachs International Bank (the "**Originator**") and the Franc Original Borrower on 11 September 2013 and acceded to by the Franc Borrower on 20 September 2013, and (ii) the €120,175,962 loan agreement entered into by, among others, the Originator, the Vanguard Bidco, Vanguard Italian Bidco and La Scaglia on 19 May 2014 and acceded to by Brindisi, Carpi and Valdichiana on 22 May 2014, in each case in the course of its business, along with any other related documents and relevant security and purchased by the Issuer from the Originator pursuant to the Loan Portfolio Sale Agreement. The Issuer purchased the Loan Portfolio on 1 July 2014.

By virtue of the operation of article 3 of the Italian Securitisation Law and the Issuer Transaction Documents, the Issuer's right, title and interest in and to the Loan Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Italian Securitisation Law) and any cash-flow deriving therefrom (including any moneys and deposits held by or on behalf of the Issuer with other depositories, to the extent identifiable) will be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation, in priority to the Issuer's obligations to any other creditors.

Interest on the Notes will be payable by reference to successive Note Interest Periods. Prior to the delivery of a Note Enforcement Notice, interest on the Notes (other than the Class X Notes) will accrue on a daily basis and will be payable in arrears in euro on 22 February, 22 May, 22 August and 22 November in each year (or, if any such day is not a Business Day, on the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day). The rate of interest applicable to the Notes (other than the Class X Notes) for each Note Interest Period shall be the rate offered in the Euro-Zone inter-bank market for three month deposits in Euro (subject to the following qualifications:

(i) In respect of the first Note Interest Period an interpolated interest rate based on three and six month deposits in Euro will be substituted for three-month EURIBOR;

(ii) EURIBOR will be capped at 7 per cent. (A) on each Note Payment Date from the Note Payment Date immediately preceding the Franc Loan Maturity Date to, but excluding, the Expected Maturity Date, in respect of a portion of the Notes in an amount equal to the principal balance of the Franc Loan following any repayment of the Franc Loan on the immediately preceding Loan Payment Date, and (B) on each Note Payment Date from the Expected Maturity Date, in respect of all Notes then outstanding (as determined in accordance with Condition 7 (*Interest*)) ("**Note EURIBOR**"), plus the relevant margin specified in Condition 7 (*Interest*) (the "**Relevant Margin**"). Any reduction to the interest payable as a result of any cap in respect of Note EURIBOR from the Franc Loan Maturity Date will be applied to the Notes in reverse sequential order commencing with the Class E Notes.

On any Note Payment Date, interest due and payable on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is subject to a cap equal to the lesser of (a) the Note Interest Payment Amount applicable to that Class of Notes; and (b) the relevant Adjusted Note Interest Payment Amount in respect of that Class of Notes, where such difference is attributable to: (i) an increase in the weighted average margin of the Notes; or (ii) a reduction in the interest payable on the Loans by the operation of the Italian Usury Law, unless such Class of Notes is the Most Senior Class of Notes. Amounts of interest that would otherwise be represented by any such difference between the relevant Adjusted Note Interest Payment Amount and the Note Interest Payment Amount applicable to that Class of Notes shall be extinguished on such Note Payment Date and the affected Class B Noteholders,

Class C Noteholders, Class D Noteholders or Class E Noteholders (as applicable) shall have no claim against the Issuer in respect thereof.

The Class X Notes will bear interest based upon a fixed calculation which will be, effectively, the excess of interest received on the Loans over an amount equal to the aggregate of the Administrative Fees, the aggregate interest accrued on the other classes of Notes and the Note Premium Amount payable. The calculation of interest on the Class X Notes is set forth under Condition 7 (*Interest*). All Class X Interest Amounts accruing after the occurrence of a Class X Trigger Event (the "**Subordinated Class X Amounts**") will be subordinated to payment of interest and repayment of principal with respect to each other class of Notes. A "**Class X Trigger Event**" means the first to occur of: (a) a Calculation Date on which either Loan is a Specially Serviced Loan; (b) a Note Payment Date following a Loan Final Maturity Event of Default; or (c) the delivery of a Note Enforcement Notice.

On each Note Payment Date following a Final Recovery Determination in respect of a Loan which has not been repaid in full, the NAI Interest Amount shall be deferred to the following Note Payment Date to the extent that there are insufficient Interest Available Funds to pay such NAI Interest Amount in full on the Note Payment Date immediately following the relevant Final Recovery Determination for that Loan. The NAI Unpaid Amount shall be applied to the Classes of Notes in a reverse sequential order beginning with the most subordinate Class of Notes then outstanding. All NAI Unpaid Amounts become due upon final redemption of the Notes.

The Class A Notes are expected, on issue, to be rated "A+(sf)" by Fitch and "A(High)(sf)" by DBRS; the Class B Notes are expected, on issue, to be rated "A(sf)" by Fitch and "A(sf)" by DBRS; the Class C Notes are expected, on issue, to be rated "BBB-(sf)" by Fitch and "BBB(sf)" by DBRS; the Class D Notes are expected, on issue, to be rated "BB+(sf)" by Fitch and "BBB(sf)" by DBRS; and the Class E Notes are expected, on issue, to be rated "B(sf)" by Fitch and "BB(sf)" by DBRS. The ratings assigned by Fitch address the likelihood of timely payment of interest of the Notes on each Note Payment Date and the ultimate repayment of principal on the Final Maturity Date. The ratings assigned by DBRS address the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations relating to the Notes in accordance with the terms under which the Notes have been issued. The ratings do not address the likelihood of payment of the Note Premium Amount or any Allocated Note Prepayment Fee Amount. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by any one or all of the Rating Agencies. The credit rating applied for in relation to the Notes will be issued by the Rating Agencies each of which is established in the European Union and is registered under Regulation (EU) No 1060/2009 (as amended) (the "CRA Regulation"), as resulting from the list of registered credit rating agencies (reference number 2011/247) published on 31 October 2011 by the European Securities and Markets Authority ("ESMA").**

As at the date of this Prospectus, payments of interest and other proceeds in respect of the Notes may be subject to withholding or deduction for or on account of Italian substitute tax, in accordance with Italian Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time, and any related regulations. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of Notes. For further details see the section entitled "*Taxation*".

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Master Servicer, the Delegate Servicer, the Representative of the Noteholders, the Calculation Agent, the Issuer Account Bank, the Liquidity Facility Provider, the Paying Agent, the Corporate Servicer, the Listing Agent, the Sole Arranger, the Lead Manager or the Quotaholder. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes will at all times be evidenced by book-entries in accordance with the provisions of the Italian Legislative Decree number 58 of 24 February 1998 and the Joint Regulation, as amended and supplemented. No physical document of title will be issued in respect of the Notes.

Before the relevant maturity date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 8 (*Redemption, Purchase and Cancellation*)). Unless previously redeemed in full in accordance with the Conditions, the Notes shall be redeemed on the Final Maturity Date.

Capitalised words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the meanings as defined in this Prospectus (please see *Index of Defined Terms* for reference.)

For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section entitled "*Risk Factors and Special Considerations*".

Sole Arranger and Sole Bookrunner
Goldman Sachs International

Lead Manager
Goldman Sachs International
17 July 2014

IMPORTANT NOTICE

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, Goldman Sachs International, Goldman Sachs International Bank, the Representative of the Noteholders, the Sole Arranger, the Lead Manager or any other person that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered in compliance with any applicable registration or other requirements, in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering.

Other than the approval by the Central Bank of Ireland of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive and the relevant implementing measures in Ireland, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance in any applicable laws, and the Lead Manager has represented that all offers and sales by it will be made on such terms. Persons into whose possession this Prospectus comes are required by the Issuer, the Sole Arranger and the Lead Manager to inform themselves about and to observe any such restrictions.

Neither this Prospectus nor any part hereof constitutes an offer of, or an invitation by or on behalf of the Issuer, the Representative of the Noteholders, the Sole Arranger or the Lead Manager to subscribe for or purchase any of the Notes and neither this Prospectus, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus (or any part hereof) see the section entitled "*Subscription, Sale and Selling Restrictions*".

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information has been indicated to have been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by or documentation deriving from such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Goldman Sachs International Bank accepts responsibility for the information contained in the section of this Prospectus entitled "*The Originator*", insofar as the same relates to it. To the best of the knowledge and belief of Goldman Sachs International Bank (having taken all reasonable care to ensure that such is the case), the information contained in the section of this Prospectus entitled "*The Originator*" (insofar as the same relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Other than as described above in relation to the sections entitled "*The Originator*", none of the Sole Arranger, the Lead Manager, the Other Issuer Creditors or the Borrowers have separately verified the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Arranger, the Lead Manager or the Other Issuer Creditors or the Borrowers (the latter in particular not having taken part nor having been involved in any manner and in any respect in the securitisation) as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes. Each person receiving this Prospectus acknowledges that such person has not relied on the Sole Arranger, the Lead Manager, the Other Issuer Creditors or the Borrowers or on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

No person is or has been authorised in connection with the issue and sale of the Notes to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or by the Sole Arranger, the Lead Manager, the Other Issuer Creditors or any of their respective affiliates, associated bodies or shareholders or the shareholders of the Issuer. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes will, under any circumstances, constitute a representation or create any implication that there has been any change in the information contained herein since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE SEC), ANY STATE SECURITIES COMMISSION OR ANY OTHER U.S. OR STATE REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

PURSUANT TO AN EXEMPTION FROM THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE CFTC) IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO NON-U.S. PERSONS (AS DEFINED IN RULE 4.7 UNDER THE COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE CEA)), AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CTFC DOES NOT PASS JUDGEMENT UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN PROSPECTUS. CONSEQUENTLY, THE CTFC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY PROSPECTUS FOR THIS POOL.

The Notes and interest thereon will not be obligations or responsibilities of any person other than the Issuer, which obligations will be limited recourse obligations in accordance with the terms thereof. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, Goldman Sachs International Bank or any associated body of the Sole Arranger, the Lead Manager, the Other Issuer Creditors or any of their respective affiliates or shareholders or the shareholders of the Issuer and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland by virtue of the issuance of the Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank of Ireland.

OFFEREE ACKNOWLEDGEMENTS

Each person receiving this Prospectus, by acceptance hereof, hereby acknowledges that this Prospectus has been prepared by the Issuer solely for the purpose of offering the Notes described herein. Notwithstanding any investigation that the Sole Arranger or the Lead Manager may have made with respect to the information set forth herein, this Prospectus does not constitute, and will not be construed as, any representation or warranty by the Sole Arranger or the Lead Manager to the adequacy or accuracy of the information set forth herein. Delivery of this Prospectus to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to the possible offer and sale of the Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes is strictly prohibited. A prospective investor will not be entitled to, and must not rely on this Prospectus unless it was furnished to such prospective investor directly by the Issuer or the Lead Manager.

The obligations of the parties to the transactions contemplated herein are set forth in and will be governed by certain documents described in this Prospectus, and all of the statements and information contained in this Prospectus are qualified in their entirety by reference to such documents. This Prospectus contains summaries, which the Issuer believes to be accurate, of certain of these documents, but for a complete description of the rights and obligations summarised herein, reference is hereby made to the actual documents, copies of which may (on giving reasonable notice) be obtained from the Paying Agent.

EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT

(A) SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN, (B) SUCH PERSON HAS NOT RELIED ON THE SOLE ARRANGER OR THE LEAD MANAGER OR ANY PERSON AFFILIATED WITH THE SOLE ARRANGER OR THE LEAD MANAGER IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION, (C) NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THE NOTES OTHER THAN AS CONTAINED HEREIN, AND IF GIVEN OR MADE, ANY SUCH OTHER INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED, AND (D) NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER WILL CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS AT ANY TIME SINCE THE DATE HEREOF. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN BUSINESS, LEGAL AND TAX ADVISERS FOR INVESTMENT, LEGAL AND TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE NOTES.

FORWARD-LOOKING STATEMENTS

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on repayment, prepayment and certain other characteristics of the Loan Portfolio and reflect significant assumptions and subjective judgments by the Issuer that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "**may**", "**will**", "**could**", "**believes**", "**expects**", "**projects**", "**anticipates**", "**continues**", "**intends**", "**plans**" or similar terms. Consequently, future results may differ from the expectations of the Issuer generally due to a variety of factors, including (but not limited to) the economic environment and changes in governmental regulations, fiscal policy, planning or tax laws in Italy. Other factors not presently known to the Issuer generally or that the Issuer presently believe are not material could also cause results to differ materially from those expressed in the forward-looking statements included in this Prospectus. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. Neither the Sole Arranger, nor the Lead Manager has attempted to verify any such statements, nor does it make any representation, express or implied, with respect thereto.

Prospective investors should not therefore, place undue reliance on any of these forward-looking statements. None of the Issuer, the Sole Arranger, the Lead Manager or any other person assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

REFERENCES TO CURRENCIES AND WEBSITES

All references in this Prospectus to euro, EUR or € are to the currency introduced at the commencement of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended by the Treaty of Amsterdam.

DOCUMENTS INCORPORATED BY REFERENCE

Valuations

The Valuations referred to in "*The Valuations*" are incorporated by reference via the website http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/ShowSecSpecialist/?secID=5389.

Financial Statements

- The audited financial statements of the Franc Borrower for the financial year ending 30 September 2012;
- The audited financial statements of the Franc Borrower for the financial year ending 31 December 2013;
- The audited financial statements of Valdichiana for the financial year ending 31 December 2012;
- The audited financial statements of Valdichiana for the financial year ending 31 December 2013,

have been filed with the Central Bank of Ireland and are incorporated by reference via the website: website http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/.

Other than the websites listed above under "*Documents incorporated by Reference*", websites referred to in this Prospectus do not form part of this Prospectus.

SOURCES OF MARKET DATA, FINANCIAL DATA AND OTHER REFERENCES

The Prospectus contains or refers to figures (all subject to commercial rounding), market data, analyst reports, and other publicly available information about the market which are based on published market data or figures from publicly available sources. To the extent that information contained in this Prospectus was derived from third-party sources, the Issuer confirms that such information is accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the information reproduced in this Prospectus inaccurate or misleading.

The Issuer has not verified the figures, market data, and other information contained in the publicly available sources and do not assume any responsibility for the accuracy of the figures, market data, or other information from the publicly available sources.

REGULATORY DISCLOSURE

Articles 405-410 of the Capital Requirements Regulation

Goldman Sachs International has undertaken in the Subscription Agreement that it will retain, from the Issue Date as originator in accordance with (i) Article 405(1) of the European Union Capital Requirements Regulation (Regulation (EU) No 575/2013) (the "**CRR**") ("**Article 405(1)**") and (ii) and Article 51 of Commission Delegated Regulation (EU) No 231/2013 (the "**AIFMR**") as it is interpreted and applied on the date of this Prospectus (in particular, in the light of Article 56 of AIFMR), on an ongoing basis, a material net economic interest of not less than 5 per cent. in the Securitisation. Such material net economic interest will, in accordance with Article 405(1)(a), comprise the retention of no less than 5 per cent. of the nominal value of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes.

In addition Goldman Sachs International has undertaken to provide confirmation on a quarterly basis to the Primary Servicer that it continues to retain a material net economic interest of not less than 5 per cent. in accordance with Article 405(1)(a) of the CRR, in respect of the Securitisation, for inclusion by the Primary Servicer of such confirmation in the Investor Report. The Issuer will acknowledge and agree that Goldman Sachs International shall not be in breach of any such undertakings if it fails to comply due to events, actions or circumstances beyond its control.

The manner in which the net economic interest is retained may be changed (but without obligation to do so) as permitted in connection with any amendment to or repeal or replacement of or change in the interpretation of or prevailing market practice in respect of Article 405(1). Any change to the manner in which such interest is retained will be notified to Noteholders in the Investor Report following such change. Please see section entitled "*Transaction Overview Information – Regulatory Disclosure*" for further information.

Article 406 of the CRR also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the securitisation notes it has acquired and the underlying exposures and that procedures are established for such due diligence activities to be conducted on an on-going basis. Investors will have on-going access to the Investor Reports (including the CMSA European Investor Reporting Package). See "*Description of the Issuer Transaction Documents – Key Terms of the Servicing Arrangements*" for further information.

Each prospective investor is required independently to assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Articles 404-410 of the CRR and none of the Issuer, the Sole Arranger, the Lead Manager or any other party to the Issuer Transaction Documents makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective investor should ensure that it complies with the implementing provisions in respect of Article 404-410 of the CRR in its relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

For further information, see "*Risk Factors and Special Considerations – Considerations relating to the tax, regulatory and legal issues – Regulation affecting investors in securitisations*".

CRA Regulation

The credit ratings included or referred to in this Prospectus have been issued by the Rating Agencies, Fitch and DBRS each of which is established in the European Union, and has been registered in accordance with the CRA Regulation.

VALUATIONS DISCLAIMER

Please see "*The Valuations*" for the Valuations produced by Cushman & Wakefield ("**Cushman & Wakefield**") (a member of Royal Institute of Chartered Surveyors ("**RICS**")) dated 17 July 2013 in relation to the Franc Property and 31 March 2014 in relation to the Vanguard Properties, in accordance with RICS Valuation Professional Standards - Global and UK (the Red Book) 8th Edition (published by RICS and effective from March 2012) which has been compiled for the purposes of ascertaining the valuations including their cash flow and income streams of Properties comprising the Property Portfolio at the request of the Originator.

The valuations in each Valuation have been used for the purposes of this transaction and throughout this Prospectus. The Valuations were produced by Cushman & Wakefield, acting through their office at Via Filippo Turati, 16/18, 20121 Milan, Italy. In respect of the Valuations relating to the Franc Property, the Valuations were signed by Joachim Sandberg FRICS, Mariacristina Laria MRICS and Silvia Cantù MRICS and in respect of the Valuations relating to the Vanguard Properties, the Valuations were signed by Joachim Sandberg FRICS, Francesca Prandi MRICS, Mariacristina Laria MRICS, Silvia Cantù MRICS and Elena Prapas MRICS.

Cushman & Wakefield (i) has given and has not withdrawn its written consent both to the inclusion in this Prospectus of the Valuations, and to references to the Valuations in the form and context in which they appear, and (ii) accepts responsibility for the information contained in the Valuations (excluding the third party information referred to in "*Documentation Provided*" section of each of the sub-reports forming part of the Valuations).

To the best of the knowledge and belief of Cushman & Wakefield (having taken all reasonable care to ensure that such is the case), the information contained in the Valuations (excluding the third party information referred to in "*Documentation Provided*" section of each of the sub-reports forming part of the Valuations) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should be aware that the Valuations were prepared prior to the date of this Prospectus. Cushman & Wakefield has not been requested to update or revise any of the information contained therein, nor will it be asked to do so prior to the issue of the Notes. Accordingly, the information included in the Valuations may not reflect the current physical, economic, competitive, market or other conditions with respect to the Property Portfolio. None of the Lead Manager, the Sole Arranger, the Master Servicer, the Delegate Servicer, the Calculation Agent, the Liquidity Facility Provider, the Representative of the Noteholders, the Borrower Security Agent, the Corporate Servicer, the Paying Agent or the Issuer Account Bank are responsible for the information contained in the Valuations.

The information contained in the Valuations must be considered together with all of the information contained elsewhere in this Prospectus, including without limitation, the statements made in the section entitled "*Risk Factors – Considerations relating to the Property Portfolio*". All of the information contained in the Valuations is subject to the same limitations, qualifications and restrictions contained in the other portions of this Prospectus. Prospective investors are strongly urged to read this Prospectus in its entirety prior to accessing the Valuations.

With the exception of the Valuations which it prepared, Cushman & Wakefield does not accept any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer or the Originator. To the extent that the Issuer has summarised or included any part of either Valuation in the Prospectus, such summaries or extracts should be considered in conjunction with the relevant entire Valuation.

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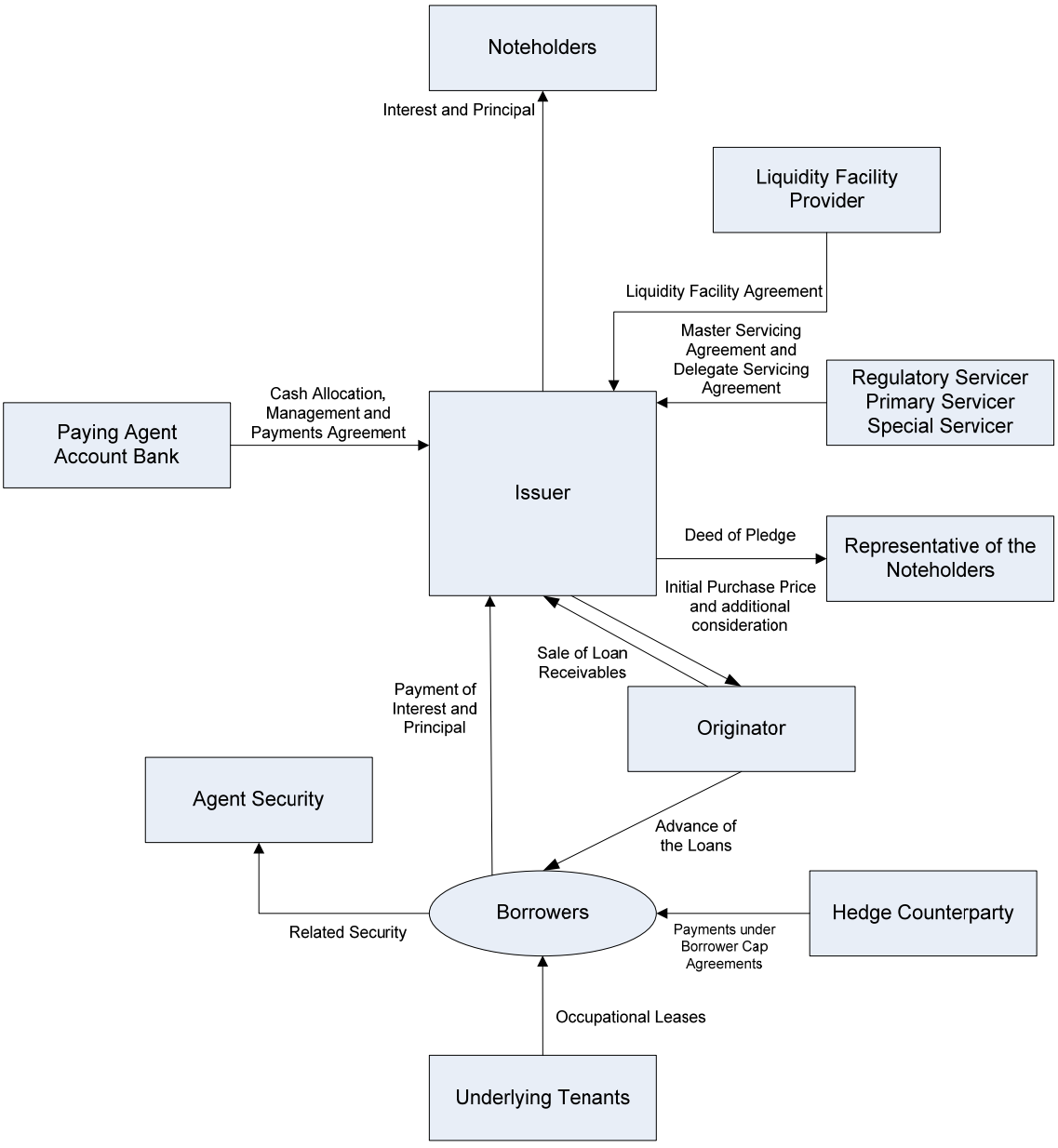
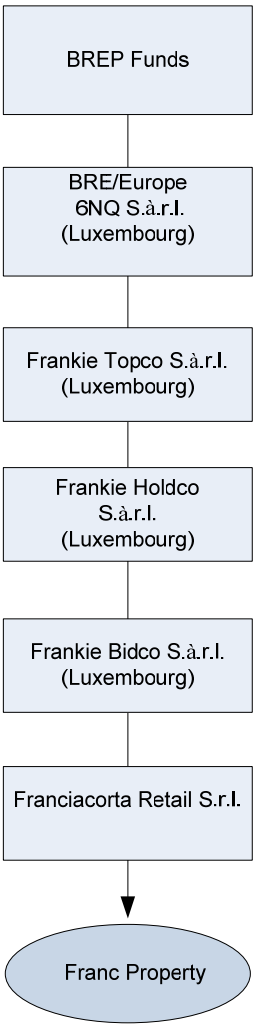
TRANSACTION DIAGRAMS

The following diagrams show the structure of the Securitisation as at the Issue Date. They are intended to illustrate to prospective noteholders a scheme of the principal transactions contemplated in the context of the Securitisation on the Issue Date. The diagrams are not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.

Overview of the Transaction

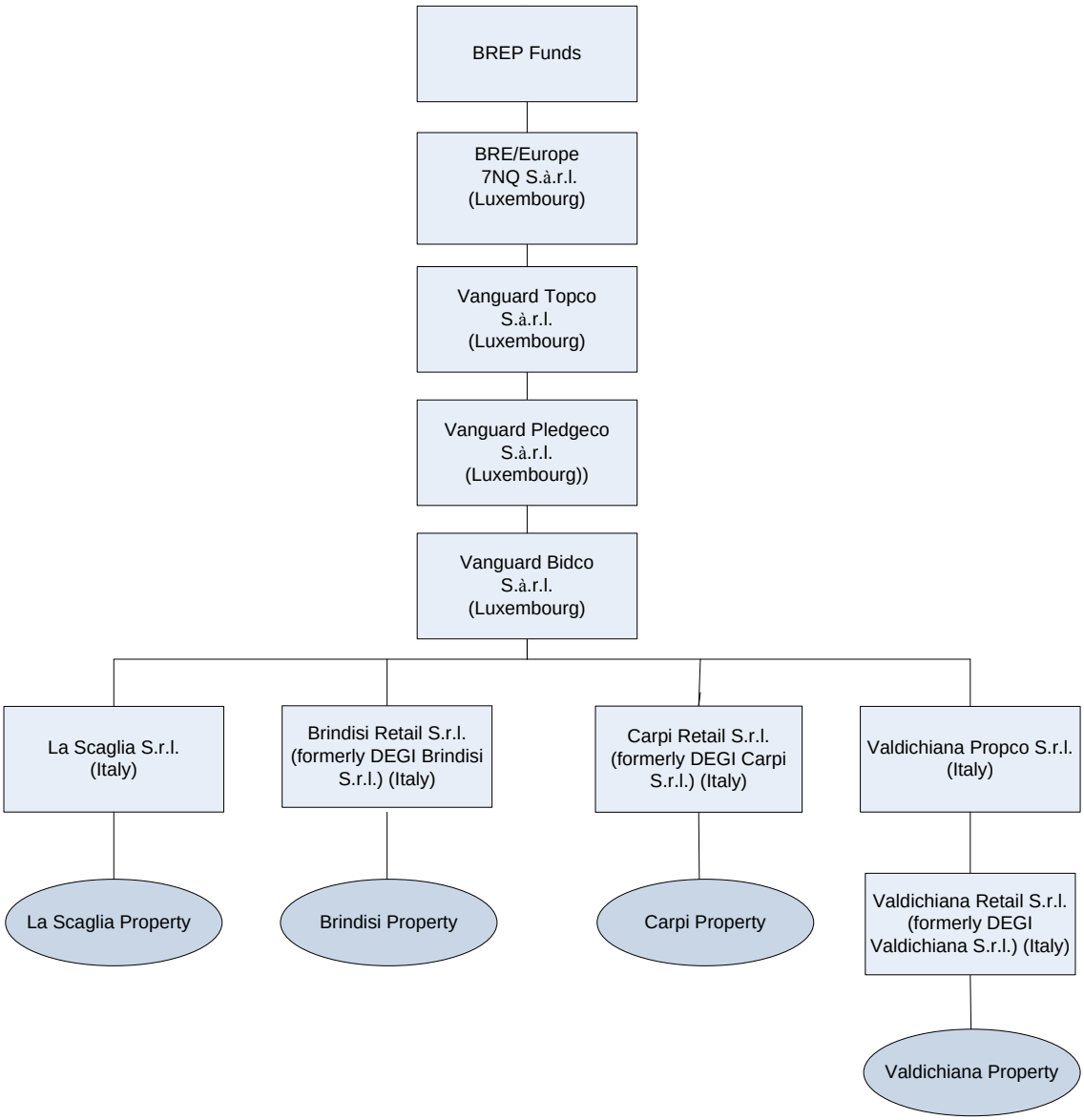


Structure of the Franc Borrower



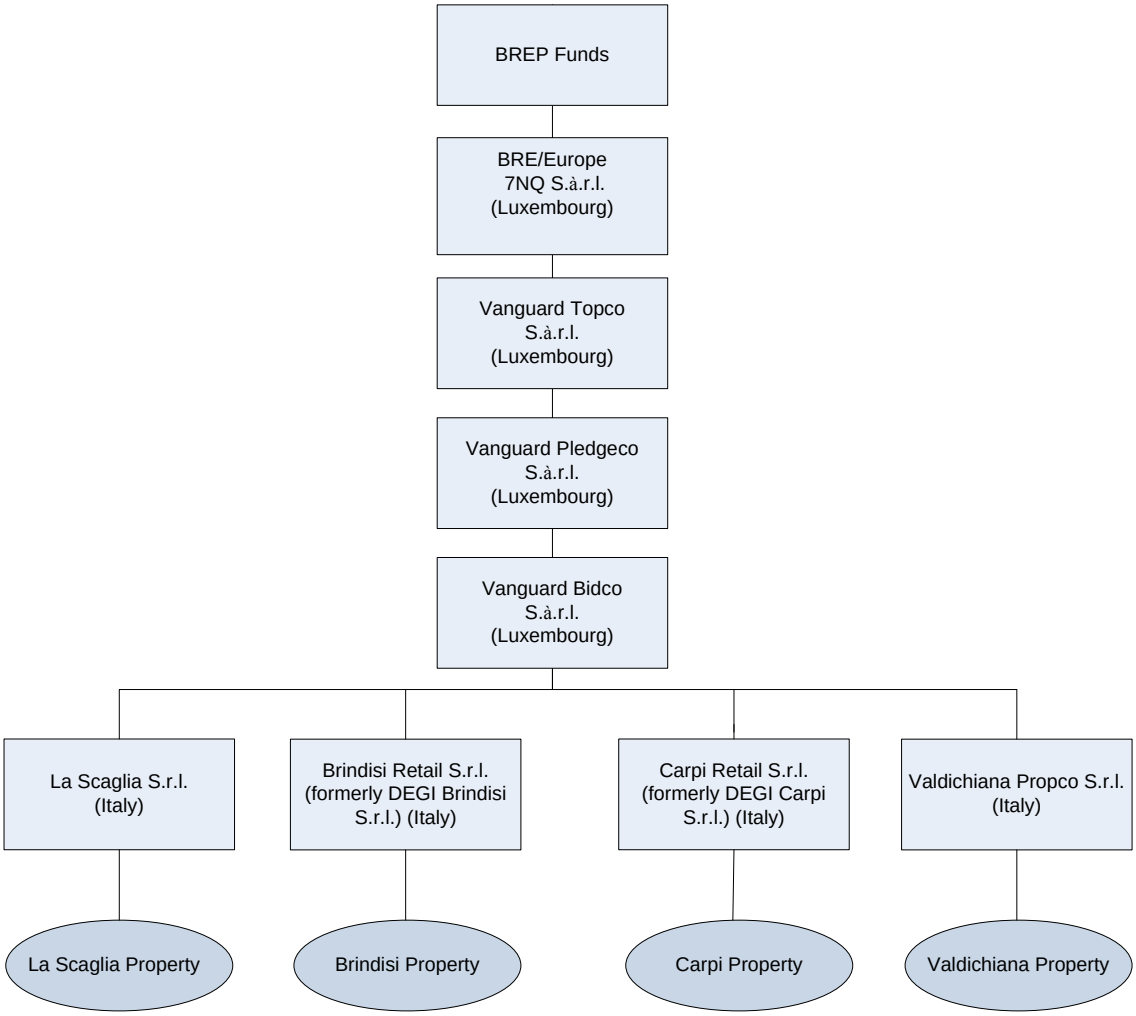
Structure of the Vanguard Borrowers

(Pre Valdichiana Merger)

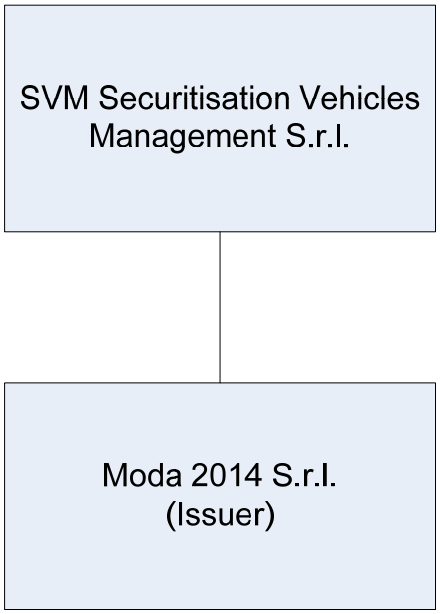


Structure of the Vanguard Borrowers

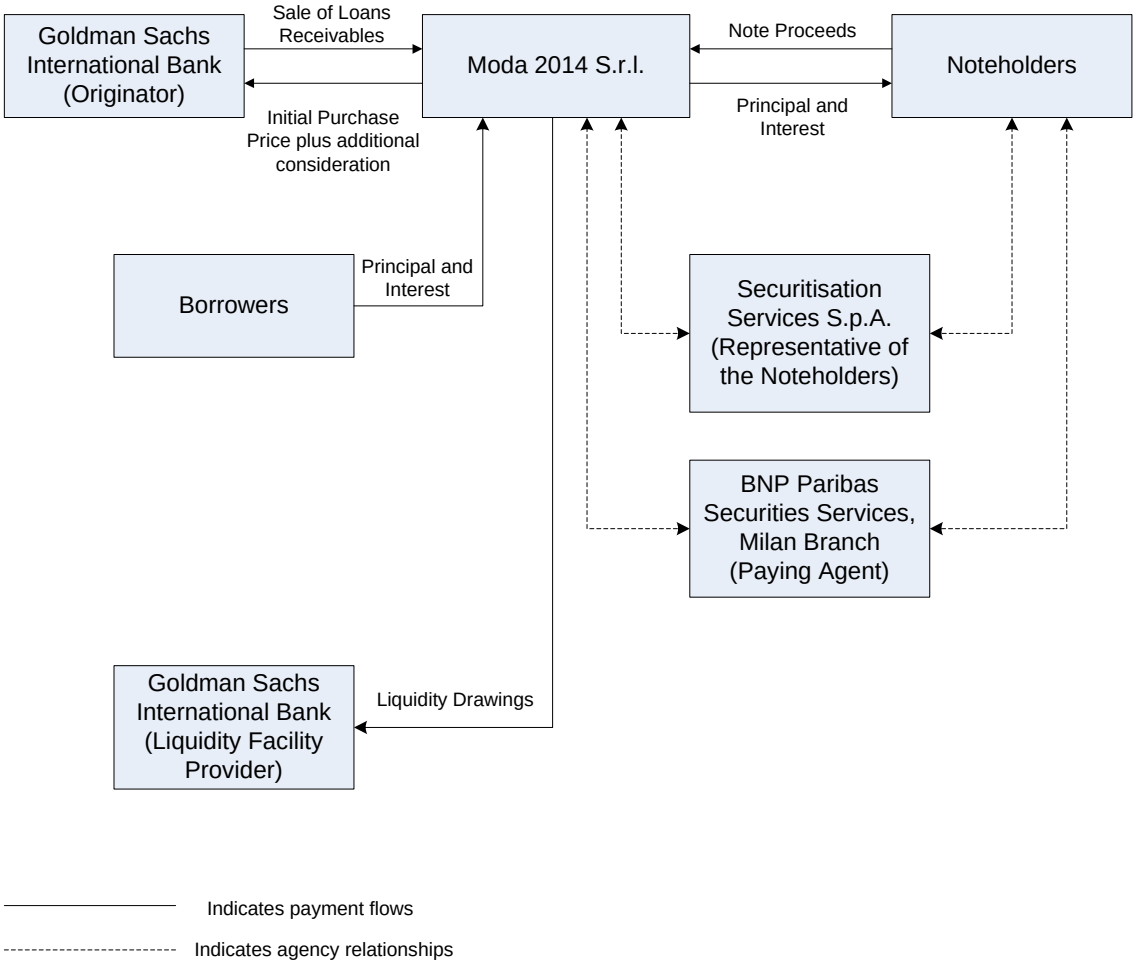
(Post Valdichiana Merger)



Ownership Structure of the Issuer



Cashflow


Goldman Sachs International Bank (Originator)
Sale of Loans Receivables
Initial Purchase Price plus additional consideration
Moda 2014 S.r.l.
Note Proceeds
Principal and Interest
Noteholders
Borrowers
Principal and Interest
Securitisation Services S.p.A. (Representative of the Noteholders)
BNP Paribas Securities Services, Milan Branch (Paying Agent)
Goldman Sachs International Bank (Liquidity Facility Provider)
Liquidity Drawings
Indicates payment flows
Indicates agency relationships

TRANSACTION OVERVIEW INFORMATION

The following information is a summary of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Issuer Transaction Documents.

A **Transaction Parties on the Issue Date**

Party	Name	Address	Document under which appointed/Further Information
Issuer	Moda 2014 S.r.l.	Via Vittorio Alfieri 1, Conegliano (TV) Italy	N/A. See "*The Issuer*" for further information.
Originator	Goldman Sachs International Bank	Peterborough Court, 133 Fleet Street, London, EC4A 2BB, UK	N/A
Sole Arranger and Sole Bookrunner	Goldman Sachs International	Peterborough Court, 133 Fleet Street, London, EC4A 2BB, UK	N/A
Lead Manager	Goldman Sachs International	Peterborough Court, 133 Fleet Street, London, EC4A 2BB, UK	N/A
Master Servicer	Securitisation Services S.p.A.	Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy	The Master Servicer will act as servicer of the Loan Portfolio pursuant to a master servicing agreement entered into on or about the Issue Date between, the Issuer, the Borrower Facility Agent, the Borrower Security Agent, the Representative of the Noteholders and the Master Servicer (the "**Master Servicing Agreement**"). See "*Description of the Issuer Transaction Documents - Key Terms of the Servicing Arrangements*" for further information.
Delegate Servicer	CBRE Loan Servicing Limited	Henrietta House, Henrietta Place, London W1G 0NB, UK	The Master Servicer will delegate the Primary Services and Special Services to the Delegate Servicer pursuant to a delegate servicing agreement entered into on or about the Issue Date between the Master Servicer and the Delegate Servicer (the "**Delegate Servicing Agreement**").

Party	Name	Address	Document under which appointed/Further Information
			See "*Description of the Issuer Transaction Documents - Key Terms of the Servicing Arrangements*" for further information.
Liquidity Facility Provider	Goldman Sachs International Bank	Peterborough Court, 133 Fleet Street, London EC4A 2BB	The Liquidity Facility Provider will act as liquidity facility provider in respect of the Notes pursuant to a liquidity facility agreement dated on or about the Issue Date entered into between the Issuer, the Liquidity Facility Provider, the Representative of the Noteholders, the Master Servicer, the Delegate Servicer and the Calculation Agent (the "**Liquidity Facility Agreement**"). See *"Description of the Issuer Transaction Documents – The Liquidity Facility Agreement"* for further information.
Issuer Account Bank	BNP Paribas Securities Services, Milan Branch	Via Ansperto 5 20123 Milan Italy	The Issuer Account Bank will be appointed pursuant to a cash allocation, management and payments agreement dated on or about the Issue Date entered into between the Issuer, the Master Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Issuer Account Bank, the Delegate Servicer and the Paying Agent (the "**Cash Allocation, Management and Payments Agreement**"). See "*Description of the Issuer Transaction Documents – The Cash Allocation, Management and Payments Agreement*" for further information.
Representative of the Noteholders	Securitisation Services S.p.A.	Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy	The Representative of the Noteholders will act as such pursuant to the Subscription Agreement, the Intercreditor Agreement and the Mandate Agreement.
Paying Agent	BNP Paribas Securities Services, Milan Branch	Via Ansperto 5 20123 Milan Italy	The Paying Agent will act as paying agent in respect of the Notes pursuant to the Cash

Party	Name	Address	Document under which appointed/Further Information
			Allocation, Management and Payments Agreement. See "*Description of the Issuer Transaction Documents - The Cash Allocation, Management and Payments Agreement*" for further information.
Quotaholder	SVM Securitisation Vehicle Management S.r.l.	Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy	The Quotaholder will act as quotaholder of the Issuer pursuant to a quotaholder agreement between the Issuer, the Originator, the Representative of the Noteholders, and the Quotaholder (the "**Quotaholder's Agreement**").
Corporate Servicer	Securitisation Services S.p.A.	Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy	The Corporate Servicer, will act as corporate services provider to the Issuer pursuant to the Corporate Services Agreement entered into on or about the Issue Date between, among others, the Corporate Servicer and the Issuer (the "**Corporate Services Agreement**"). See for further details "*Description of the Issuer Transaction Documents - The Corporate Services Agreement*".
Calculation Agent	Securitisation Services S.p.A.	Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy	The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement. See "*Description of the Issuer Transaction Documents – The Cash Allocation, Management and Payments Agreement*" for further information.

Other parties relevant for the Notes:

Party	Name	Address
Listing Agent	Arthur Cox Listing Services Limited	Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland
Irish Stock Exchange	The Irish Stock Exchange Plc	28 Anglesea Street Dublin 2, Ireland
Clearing System	Monte Titoli s.p.a. (the	Piazza degli Affari 6, 20123 Milan, Italy

Party	Name	Address
	"**Clearing System**")	
Rating Agencies	Fitch Ratings Limited ("**Fitch**")	30 North Colonade, Canary Wharf, London E14 5GN, United Kingdom
	DBRS Ratings Limited ("**DBRS**")	1 Minster Court 10th Floor, Mincing Lane, London EC3R 7AA, United Kingdom

B **The Loan Portfolio**

Please refer to the sections entitled "The Loan Portfolio" for further detail in respect of the characteristics of the Loans.

The following is a summary of certain features of the Loans. Investors should refer to, and carefully consider, the further details in respect of the Loans set out in "*The Loan Portfolio*".

FRANCIACORTA LOAN

Initial Principal Amount:	€78,437,500
Principal Amount at Issue Date:	€78,045,312.50
Franc Obligors:	**FRANKIE HOLDCO S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg ("**Franc Holdco**") **FRANKIE BIDCO S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg (the "**Franc Original Borrower**") **DEGI FRANCIACORTA S.R.L. (subsequently renamed as FRANCIACORTA RETAIL S.R.L.)**, a company incorporated under the laws of Italy (the "**Franc Target**" and "**Franc Borrower**")
Franc Loan purpose:	The Franc Loan was provided to the Franc Original Borrower for the purpose of (i) payment of financing costs and (ii) on-lending amounts to the Franc Borrower to be applied in refinancing the existing financial indebtedness of the Franc Borrower.
Franc Utilisation Date:	20 September 2013
Franc Loan Payment Dates:	15 February, 15 May, 15 August, 15 November, in each year, **provided that** the first Loan Payment Date relating to the Franc Loan was 15 February 2014 (or, in each case, if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).
Franc Loan Maturity Date:	15 November 2018 (or if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).
Interest:	Loan EURIBOR plus a margin of 4.5 per cent. per annum.
Loan Interest Period Dates:	22 February, 22 May, 22 August, 22 November, in each year, **provided that** the first Loan Interest Period Date relating to the Franc Loan shall be 22 August 2014 (or, in each case, if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the

immediately preceding Business Day).

Loan Interest Periods: Interest shall be calculated and payable on the Franc Loan by reference to Loan Interest Periods.

The current Loan Interest Period relating to the Franc Loan as of the date of this Prospectus started on the Loan Payment Date falling in May 2014 and will end on the Loan Payment Date which falls in August 2014.

The next Loan Interest Period relating to the Franc Loan shall start on (and include) the Loan Interest Period Date which falls in August 2014 and will end on (but exclude) the next Loan Interest Period Date.

Any successive Loan Interest Period thereafter shall start on (and include) the Loan Interest Period Date on which the last Loan Interest Period for that Loan ended and end on (but exclude) the next Loan Interest Period Date.

Franc Borrowers' Jurisdiction: Franc Original Borrower – Luxembourg.

Franc Borrower – Italy.

Franc Loan Security: *Italian law Security*

(a) a mortgage security over the Franc Property;

(b) a pledge over the quota in the Franc Borrower;

(c) an assignment of rights under the Franc Acquisition Agreements by the Franc Original Borrower and the Franc Borrower;

(d) an assignment of receivables owed to the Franc Borrower under the occupational leases;

(e) a pledge over certain bank accounts of the Franc Borrower.

English law Security

Security assignment of rights under the interest rate hedging arrangements and insurance policies.

Luxembourg law Security

(a) a pledge over the shares of the Franc Original Borrower;

(b) a pledge over receivables owed by the Franc Original Borrower to Franc Holdco;

(c) a pledge over receivables owed by the Franc Borrower to the Franc Original Borrower;

(d) a pledge over certain bank accounts of the Franc Holdco; and

(e) a pledge over certain bank accounts of the Franc Original Borrower.

Key Financial Covenants: Loan to Value and Interest Cover Ratio

Franc Loan to Value covenant: A Franc Loan Event of Default occurs if the Franc LTV Ratio is greater than 80 per cent. on a Franc LTV Test Date and such circumstance is

	not cured within 20 Business Days of such Franc LTV Test Date. The Franc LTV Covenant is tested on each Loan Payment Date falling after the first anniversary of the Franc Utilisation Date and, in the event that a Franc Valuation is required in connection with a compulsory purchase relating to the Franc Property, on the Loan Payment Date falling on or immediately after the date of delivery of that Franc Valuation.
Franc Interest Cover Ratio covenant:	A Franc Loan Event of Default occurs if the Franc ICR on a Franc Test Date is less than 1.40:1 and such circumstance is not cured within 20 Business Days of the Loan Payment Date falling immediately after the end of the relevant Franc Relevant Period during which such circumstance occurred. The Franc ICR Covenant is calculated on a twelve-month look back basis.
Franc Cash Trap Events:	A Franc Cash Trap Event occurs if on a Loan Payment Date either (i) (provided that such Loan Payment Date is also a Franc LTV Test Date) the Franc LTV Ratio is greater than 72.5 per cent. or (ii) the Franc ICR relating to the immediately prior testing period is lower than 2.00:1. The Franc Borrower may at any time elect to apply any sums standing to the credit of the Franc Borrower Cash Trap Account in prepayment of the Franc Loan.
Franc Amortisation:	On each Loan Payment Date relating to the Franc Loan, the Franc Borrower shall repay an amount of the Franc Loan equal to 0.25 per cent. of the original principal amount outstanding of the Franc Loan on the Franc Utilisation Date.
Franc Borrower Level Hedging:	An interest rate cap has been entered into by the Franc Borrower with Commonwealth Bank of Australia on 24 September 2013.
Governing law of the Franc Loan Agreement	England and Wales.

VANGUARD LOAN

Initial Principal Amount: €120,175,962

Vanguard Obligors: **VANGUARD PLEDGECO S.À R.L.**, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg ("**Vanguard Pledgeco**")

VANGUARD BIDCO S.À R.L., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg ("**Vanguard Bidco**")

VALDICHIANA PROPCO S.R.L., a company incorporated under the laws of Italy ("**Vanguard Italian Bidco**")

LA SCAGLIA S.R.L., a company incorporated under the laws of Italy ("**La Scaglia**")

DEGI BRINDISI S.R.L. (subsequently re-named as BRINDISI RETAIL S.R.L.), a company incorporated under the laws of Italy ("**Brindisi**")

DEGI CARPI S.R.L. (subsequently re-named as CARPI RETAIL S.R.L.), a company incorporated under the laws of Italy ("**Carpi**")

DEGI VALDICHIANA S.R.L. (subsequently re-named as VALDICHIANA RETAIL S.R.L.), a company incorporated under the laws of Italy ("**Valdichiana**", together with Brindisi and Carpi, the "**Vanguard Targets**" and each a "**Vanguard Target**")

Vanguard Propcos: Vanguard Targets, La Scaglia and, after the completion of the Valdichiana Merger, Vanguard Italian Bidco (the "**Vanguard Propcos**")

Vanguard Loan purpose: The Vanguard Loans were provided to:

(a) Vanguard Bidco in an amount of €21,515,000 for the purpose of (i) payment of financing costs and (ii) on-lending amounts to Brindisi to be applied in refinancing the existing financial indebtedness of Brindisi;

(b) Vanguard Bidco in an amount of €17,225,000 for the purpose of (i) payment of financing costs and (ii) on-lending amounts to Carpi to be applied in refinancing the existing financial indebtedness of Carpi;

(c) La Scaglia in an amount of €11,050,000 for the purpose of (i) payment of financing costs and (ii) refinancing the existing financial indebtedness of La Scaglia;

(d) Vanguard Italian Bidco in an amount of €16,994,653 for the purpose of (i) payment of financing costs and (ii) funding the purchase price in relation to the acquisition of Valdichiana; and

(e) Vanguard Bidco in an amount of €53,391,309 for the purpose of (i) payment of financing costs and (ii) on-lending amounts to Valdichiana to be applied in refinancing the existing financial indebtedness of Valdichiana.

Vanguard Utilisation Date: 22 May 2014

Vanguard Loan Payment Dates:	15 February, 15 May, 15 August, 15 November, in each year, **provided that** the first Loan Payment Date relating to the Vanguard Loan shall be 15 November 2014 (or, in each case, if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).
Vanguard Loan Maturity Date:	15 August 2019 (or if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).
Interest:	Loan EURIBOR plus a margin of: (a) 3.90 per cent. per annum prior to the Valdichiana Merger and the delivery of the conditions subsequent required to be delivered pursuant to the Vanguard Loan Agreement in connection with the Valdichiana Merger; and (b) 3.65 per cent. per annum thereafter, **provided that**, if the Margin Reduction Date falls on a date other than the first or last day of an Loan Interest Period, the margin in respect of the Loan Interest Period during which the Margin Reduction Date falls shall be 3.65 per cent. per annum.
Loan Interest Period Dates:	22 February, 22 May, 22 August, 22 November, in each year, **provided that** the first Loan Interest Period Date relating to the Vanguard Loan shall be 22 November 2014 (or, in each case, if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).
Loan Interest Periods:	Interest shall be calculated and payable on the Vanguard Loan by reference to Loan Interest Periods. The first Loan Interest Period relating to the Vanguard Loan started on the date falling seven days after the Vanguard Utilisation Date and shall end on the first Loan Interest Period Date to occur after the Vanguard Utilisation Date. Any successive Loan Interest Period thereafter shall start on (and include) the Loan Interest Period Date on which the last Loan Interest Period for that Loan ended and end on (but exclude) the next Loan Interest Period Date.
Vanguard Borrowers' Jurisdiction:	Vanguard Bidco – Luxembourg. Vanguard Italian Bidco, La Scaglia, Brindisi, Carpi and Valdichiana – Italy.
Vanguard Loan Security:	*Italian law Security:* (a) a mortgage security over the Vanguard Properties (b) a pledge over the quota in each Vanguard Propco and Vanguard Italian Bidco (c) an assignment of rights under the Vanguard Acquisition Agreements (d) an assignment of receivables owed to the Vanguard Propcos

under the occupational leases;

(e) a pledge over certain bank accounts of the Vanguard Propcos and Vanguard Italian Bidco.

English law Security

Security assignment of rights under the interest rate hedging arrangements and insurance policies.

Luxembourg law Security

(f) a pledge over the shares of Vanguard Bidco

(g) a pledge over the receivables owed by the Vanguard Bidco to Vanguard Pledgeco;

(h) a pledge over receivables owed by Vanguard Italian Bidco, Brindisi, Carpi and La Scaglia to Bidco;

(i) a pledge over receivables owed by Valdichiana to Vanguard Italian Bidco;

(j) a pledge over certain bank accounts of Vanguard Bidco; and

(k) a pledge over certain bank accounts of Vanguard Pledgeco.

Key Financial Covenants: Loan to Value and Interest Cover Ratio

Vanguard Loan to Value covenant: A Vanguard Loan Event of Default occurs if the Vanguard LTV Ratio is greater than 82.5 per cent. on a Vanguard LTV Test Date and such circumstance is not cured within 20 Business Days of such Vanguard LTV Test Date.

The Vanguard LTV Covenant is tested on each Loan Payment Date falling after the first anniversary of the Vanguard Utilisation Date and, in the event that a Vanguard Valuation is required in connection with a compulsory purchase relating to the Vanguard Properties, on the Loan Payment Date falling on or immediately after the date of delivery of that Vanguard Valuation.

Vanguard Interest Cover Ratio covenant: A Vanguard Loan Event of Default occurs if the Vanguard ICR on a Vanguard Test Date is less than 1.40:1 and such circumstance is not cured within 20 Business Days of the Loan Payment Date falling immediately after the end of the relevant Vanguard Relevant Period during which such circumstance occurred.

The Vanguard ICR Covenant is calculated on a twelve-month look back basis.

Vanguard Cash Trap Events: A Vanguard Cash Trap Event occurs if on a Loan Payment Date either (i) (provided that such Loan Payment Date is also a Vanguard LTV Test Date) the Vanguard LTV Ratio is greater than 77.5 per cent. or (ii) the Vanguard ICR relating to the immediately prior testing period is lower than 2.00:1.

Vanguard Bidco may at any time elect to apply any sums standing to the credit of the Vanguard Borrower Cash Trap Account in prepayment of the Vanguard Loans.

Vanguard Amortisation: On each Loan Payment Date relating to the Vanguard Loan, each Vanguard Borrower shall repay an amount of the Vanguard Loan borrowed by it (or novated to it) equal to 0.25 per cent. of the original

	principal amount outstanding of the Vanguard Loan made to it (or novated to it) on the Vanguard Utilisation Date.
Vanguard Borrower Level Hedging:	An interest rate cap has been entered into by each Vanguard Borrower with Commonwealth Bank of Australia on 28 May 2014.
Governing law of the Vanguard Loan Agreement	England and Wales.

See section entitled "*The Loan Portfolio*" for further information regarding the financial ratios referred to in the table above.

C **Loan Portfolio Sale Agreement**

Please refer to the sections entitled "Description of the Issuer Transaction Documents – The Loan Portfolio Sale Agreement" for further detail in respect of the terms of the sale arrangements in respect of the Loans.

Loan Portfolio Sale Agreement	Pursuant to the terms of a Loan Portfolio Sale Agreement dated 1 July 2014 (the "**Loan Portfolio Sale Agreement**") between the Issuer and the Originator, the Originator has sold to the Issuer its right, title, interest and benefit in and to the Loan Portfolio. The Loan Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in the case of a failure of the Borrower to pay amounts due under a Loan Agreement, in accordance with the Italian Securitisation Law and subject to the terms and conditions of the Loan Portfolio Sale Agreement. The Loan Portfolio Sale Agreement is governed by Italian law.
Representations and Warranties	Pursuant to the terms of the Loan Portfolio Sale Agreement, the Originator has given certain representations, warranties and indemnities in favour of the Issuer in relation to, *inter alia*, the Loan Portfolio. See for further details "*Description of the Issuer Transaction Documents – The Loan Portfolio Sale Agreement*".
Consideration	As consideration for the purchase of the Loan Portfolio, the Issuer shall pay to the Originator the Purchase Price. The Purchase Price will be paid through the net proceeds of the issuance of the Notes. "**Purchase Price**" means €198,221,274.50 being the consideration payable by the Issuer to the Originator under the provisions of the Loan Portfolio Sale Agreement. The Purchase Price reflects the outstanding principal balance of each Loan at the Issue Date being €78,045,312.50 in respect of the Franc Loan and €120,175,962 in respect of the Vanguard Loan. On the final Note Payment Date, the Issuer shall pay to the Originator as additional consideration any amounts payable in accordance with the relevant Priority of Payments, within the limits of the then Issuer Available Funds. See for further details "*Description of the Issuer Transaction Documents – The Loan Portfolio Sale Agreement*".
Remedy for Breach of Warranty	The Originator shall be obliged to indemnify the Issuer in respect of a material breach of warranty which has not been remedied within 60

days of notice thereof (or such longer period not exceeding 90 days as the Issuer may agree to) in an amount equal to the outstanding principal amount of the Affected Loan plus accrued but unpaid interest.

See for further details "*Description of the Issuer Transaction Documents – The Loan Portfolio Sale Agreement*".

D Summary of the Terms and Conditions of the Notes

Please refer to section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes.

Full Capital Structure of the Notes

	Class A	Class X1	Class X2	Class B	Class C	Class D	Class E
Currency	€	€	€	€	€	€	€
Initial Principal Amount	145,100,000	100,000	100,000	14,600,000	17,700,000	3,822,000	17,000,000
Liquidity Support	Liquidity Facility available to cover Interest Shortfall	N/A	N/A	Liquidity Facility available to cover Interest Shortfall if Most Senior Class of Notes	Liquidity Facility available to cover Interest Shortfall if Most Senior Class of Notes	Liquidity Facility available to cover Interest Shortfall if Most Senior Class of Notes	N/A
Issue Price	100%	100%	100%	100%	100%	100%	100%
Note Interest Reference Rate	3-month Note EURIBOR (1st Note Interest Period - interpolated rate based on 3 and 6 month deposits in Euro substituted for 3-month Note EURIBOR)	N/A	N/A	3-month Note EURIBOR (1st Note Interest Period - interpolated rate based on 3 and 6 month deposits in Euro substituted for 3-month Note EURIBOR)	3-month Note EURIBOR (1st Note Interest Period - interpolated rate based on 3 and 6 month deposits in Euro substituted for 3-month Note EURIBOR)	3-month Note EURIBOR (1st Note Interest Period - interpolated rate based on 3 and 6 month deposits in Euro substituted for 3-month Note EURIBOR)	3-month Note EURIBOR (1st Note Interest Period - interpolated rate based on 3 and 6 month deposits in Euro substituted for 3-month Note EURIBOR)
Relevant Margin	1.48%	N/A	N/A	1.90%	2.55%	3.30%	4.10%
Note Premium Amount (on and following the Note Payment Date immediately preceding the Franc Loan Maturity Date)	Excess of EURIBOR over 7%, if any, for portion of Notes equal to Franc Loan principal outstanding balance applied on a reverse sequential basis	N/A	N/A	Excess of EURIBOR over 7%, if any, for portion of Notes equal to Franc Loan principal outstanding balance applied on a reverse sequential basis	Excess of EURIBOR over 7%, if any, for portion of Notes equal to Franc Loan principal outstanding balance applied on a reverse sequential basis	Excess of EURIBOR over 7%, if any, for portion of Notes equal to Franc Loan principal outstanding balance applied on a reverse sequential basis	Excess of EURIBOR over 7%, if any, for portion of Notes equal to Franc Loan principal outstanding balance applied on a reverse sequential basis
Note Premium Amount (from the Expected Maturity Date)	Excess of EURIBOR over 7%, if any	N/A	N/A	Excess of EURIBOR over 7%, if any	Excess of EURIBOR over 7%, if any	Excess of EURIBOR over 7%, if any	Excess of EURIBOR over 7%, if any
Interest Accrual Method	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360
Note Interest Determination Date	2 TARGET Days prior to the Note Payment Date	N/A	N/A	2 TARGET Days prior to the Note Payment Date	2 TARGET Days prior to the Note Payment Date	2 TARGET Days prior to the Note Payment Date	2 TARGET Days prior to the Note Payment Date
Note Payment Dates	22 February, 22 May, 22 August, 22 November	22 February, 22 May, 22 August, 22 November	22 February, 22 May, 22 August, 22 November	22 February, 22 May, 22 August, 22 November	22 February, 22 May, 22 August, 22 November	22 February, 22 May, 22 August, 22 November	22 February, 22 May, 22 August, 22 November
Business Day Convention	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following
First Note Payment Date	22 November 2014	22 November 2014	22 November 2014	22 November 2014	22 November 2014	22 November 2014	22 November 2014
First Note Interest Period	Issue Date to First Note Payment Date	Issue Date to First Note Payment Date	Issue Date to First Note Payment Date	Issue Date to First Note Payment Date	Issue Date to First Note Payment Date	Issue Date to First Note Payment Date	Issue Date to First Note Payment Date
Expected Maturity Date	22 August 2019	22 November 2015	22 August 2019	22 August 2019	22 August 2019	22 August 2019	22 August 2019
Final Maturity Date	22 August 2026	22 August 2026	22 August 2026	22 August 2026	22 August 2026	22 August 2026	22 August 2026
Form of the Notes	Dematerialised form	Dematerialised form	Dematerialised form	Dematerialised form	Dematerialised form	Dematerialised form	Dematerialised form
Application for Listing	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
ISIN	IT0005039075	IT0005039273	IT0005039281	IT0005039083	IT0005039182	IT0005039257	IT0005039265
Common Code	109009342	109017868	109017906	109009415	109009431	109009458	109009482
Clearance/Settlement	Monte Titoli	Monte Titoli	Monte Titoli	Monte Titoli	Monte Titoli	Monte Titoli	Monte Titoli
Minimum Denomination	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof
Retained Amount	5%	N/A	N/A	5%	5%	5%	5%

	Class A	Class X1	Class X2	Class B	Class C	Class D	Class E
Commission	nil	nil	nil	nil	nil	nil	nil

Principal features of the Notes

Notes

The €145,100,000 Class A Commercial Mortgage Backed Notes due 2026 will be issued by the Issuer on the Issue Date.

The €100,000 Class X1 Commercial Mortgage Backed Note due 2026 will be issued by the Issuer on the Issue Date.

The €100,000 Class X2 Commercial Mortgage Backed Note due 2026 will be issued by the Issuer on the Issue Date.

The €14,600,000 Class B Commercial Mortgage Backed Notes due 2026 will be issued by the Issuer on the Issue Date.

The €17,700,000 Class C Commercial Mortgage Backed Notes due 2026 will be issued by the Issuer on the Issue Date.

The €3,822,000 Class D Commercial Mortgage Backed Notes due 2026 will be issued by the Issuer on the Issue Date.

The €17,000,000 Class E Commercial Mortgage Backed Notes due 2026 will be issued by the Issuer on the Issue Date.

Issue price

The Notes will be issued at the issue price of 100 per cent. of their principal amount upon issue.

Interest on the Class A Notes, Class B Notes, Class C Notes, Class D Notes & Class E Notes.

The Class A Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to 1.48 per cent. per annum above Note EURIBOR for 3 month deposits in Euro, save that in respect of the first Note Interest Period an interpolated interest rate based on three and six month deposits in Euro will be substituted for three-month EURIBOR.

The Class B Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to 1.90 per cent. per annum above Note EURIBOR for 3 month deposits in Euro, save that in respect of the first Note Interest Period an interpolated interest rate based on three and six month deposits in Euro will be substituted for three-month EURIBOR.

The Class C Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to 2.55 per cent. per annum above Note EURIBOR for 3 month deposits in Euro, save that in respect of the first Note Interest Period an interpolated interest rate based on three and six month deposits in Euro will be substituted for three-month EURIBOR.

The Class D Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to 3.30 per cent. per annum above Note EURIBOR for 3 month deposits in Euro, save that in respect of the first Note Interest Period an interpolated interest rate based on three and six month deposits in Euro will be substituted for three-month EURIBOR.

The Class E Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at a rate equal to 4.10 per cent. per annum above Note EURIBOR for 3 month deposits in Euro, save that in respect of the first Note Interest Period an interpolated interest rate based on three and six month deposits in Euro will

be substituted for three-month EURIBOR.

"**Principal Amount Outstanding**" means, on any date:

(a) the principal amount of a Note upon issue, minus

(b) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note, and minus

(c) for all purposes other than in relation to (i) the definition of "Note Premium Amount" and (iii) Condition 7.1, Condition 7.7, Condition 8.1, Condition 8.4, Condition 8.5 and Condition 12.4, the NAI Shortfall Amount of such Note.

NAI Amount

On each Note Payment Date following a Final Recovery Determination in respect of a Loan which has not been repaid in full, a portion of the NAI Interest Amount shall be deferred to the following Note Payment Date to the extent that there are insufficient Interest Available Funds to pay the NAI Interest Amount on the Note Payment Date immediately following the relevant Final Recovery Determination for that Loan (such deferred portion of the NAI Interest Amount being the "**NAI Unpaid Amount**"). The NAI Unpaid Amount shall be applied to the Classes of Notes in a reverse sequential order beginning with the most subordinate Class of Notes then outstanding.

The Liquidity Facility cannot be drawn to cover payment of any NAI Interest Amount. The NAI Interest Amount shall be paid out of Interest Available Funds in priority to the payment of the Class X Interest Amount.

On the Note Payment Date immediately following any Calculation Date on which an NAI Shortfall Amount has been determined, the Principal Amount Outstanding of the Notes will, for all purposes other than Condition 7.1, Condition 7.7, Condition 8.1, Condition 8.4, Condition 8.5 and Condition 12.4 be reduced by an amount equal to such NAI Shortfall Amount. This shall be applied in a reverse sequential order, first to the most subordinate Class of Notes then outstanding, until the Principal Amount Outstanding of each Class of Notes is reduced to zero.

"**NAI Interest Amount**" means the total amount of interest payable in respect of a principal amount of the Notes equal to the NAI Shortfall Amount.

"**NAI Shortfall Amount**" means following a Final Recovery Determination, the initial principal amount of a Loan less all payments of principal in respect of the loan following completion of enforcement procedures in respect of such Loan as determined by the Primary Servicer or the Special Servicer (in the case of a Specially Serviced Loan).

On each subsequent Note Payment Date, to the extent that there are insufficient Interest Available Funds to pay any NAI Unpaid Amount from previous Note Payment Dates following payment of the NAI Interest Amount payable on that Note Payment Date (i) any NAI Unpaid Amount from a previous Note Payment Date, together with (ii) any unpaid NAI Unpaid Amount in respect of the current Note Payment Date (together "**Accrued NAI Unpaid Amounts**") shall again be deferred to the next Note Payment Date. All NAI Unpaid Amounts become due upon final redemption of the Notes.

The Liquidity Facility cannot be drawn to cover payment of any Accrued NAI Unpaid Amount. Any Accrued NAI Unpaid Amount shall be payable to the extent of Interest Available Funds in priority to the payment of the Class X Interest Amount.

To the extent that there are surplus Interest Available Funds on any Note Payment Date following payment of all amounts (except for payment of the Class X Interest

Amount) due and payable on such Note Payment Date, such Interest Available Funds shall be re-categorised as Principal Available Funds to reduce the NAI Shortfall Amount applied in sequential order starting with the Most Senior Class of Notes to which an NAI Shortfall Amount has been allocated, and will be repaid to Noteholders being applied in sequential order starting with the Most Senior Class of Notes in accordance with the relevant Priority of Payments.

Note EURIBOR

"**Note EURIBOR**" means on any Note Payment Date:

(a) prior to the Note Payment Date immediately preceding the Franc Loan Maturity Date, and in respect of all Notes outstanding, EURIBOR;

(b) from, and including, the Note Payment Date immediately preceding the Franc Loan Maturity Date, to, but excluding, the Expected Maturity Date:

(i) in respect of a portion of the Notes in an amount equal to the outstanding principal balance of the Franc Loan on that Note Payment Date, the lower of EURIBOR and 7 per cent; and

(ii) in respect of a portion of the Notes in an amount equal to the outstanding principal balance of the Vanguard Loan on that Note Payment Date, EURIBOR; and

(c) from the Expected Maturity Date, in respect of all Notes outstanding, the lower of EURIBOR and 7 per cent.

In respect of the period from, and including, the Note Payment Date immediately preceding the Franc Loan Maturity Date to, but excluding, the Expected Maturity Date, the 7 per cent cap in respect of Note EURIBOR will be applied to the Notes in reverse sequential order commencing with the Class E Notes, with any Note Premium Amount paid on that Class of Notes in accordance with the relevant Priority of Payments.

In respect of the period from, and including, the Note Payment Date immediately preceding the Franc Loan Maturity Date to, but excluding, the Expected Maturity Date, where on a Note Payment Date the Note EURIBOR for a Class of Notes is:

(a) in respect of a portion of the Notes of that Class, EURIBOR; and

(b) in respect of a portion of the Notes of that Class, the 7 per cent. capped rate as outlined at (b)(i) of the definition of Note EURIBOR,

the Note EURIBOR for that Class of Notes shall be the weighted average of (a) and (b) above. Interest (including the relevant Note EURIBOR) shall always be paid *pro rata* and *pari passu* in respect of the Notes of that Class.

Interest in respect of the Notes (other than the Class X Notes) will accrue on a daily basis and is payable in arrears in euro on each Note Payment Date in accordance with the Priority of Payments. The first payment of interest in respect of the Notes will be due on the Note Payment Date falling in November 2014 in respect of the period from (and including) the Issue Date to (but excluding) such date.

Note Premium Amount

For each Note Interest Period commencing on the Note Payment Date immediately preceding the Franc Loan Maturity Date payments in respect of the Notes (if any) that represent a Note Premium Amount will be subordinated to *inter alia* payment of interest and principal on the Notes.

"**Note Premium Amount**" means, in respect of any Note Interest Period commencing on the Note Payment Date immediately preceding the Franc Loan Maturity Date in which EURIBOR exceeds 7 per cent., any amount payable on the Notes (other than the Class X Notes) calculated in accordance with the following formula:

(A x (B - C)) x D

Where:

A =

(i) From the Note Payment Date immediately preceding the Franc Loan Maturity Date, a portion of the Notes in an amount equal to the outstanding principal balance of the Franc Loan on that Note Payment Date; or

(ii) From the Vanguard Loan Maturity Date, the Principal Amount Outstanding on the Notes.

B = 3 month EURIBOR (where EURIBOR exceeds 7 per cent.)

C = 7 per cent.

D = Day Count Fraction

Interest Deferral

To the extent that, on any Note Payment Date, there are insufficient Interest Available Funds to pay the full amount of interest (excluding any Subordinated Class X Amounts) on any Class of Notes (other than any interest on the Most Senior Class of Notes) due on such Notes (taking into account any cap on the Note Interest Payment Amount in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes at the Class B Adjusted Note Interest Payment Amount, the Class C Adjusted Note Interest Payment Amount, Class D Adjusted Note Interest Payment Amount or Class E Adjusted Note Interest Payment Amount as applicable), then the amount of the interest shortfall will not fall due on that Note Payment Date in respect of any Class of Notes apart from the Most Senior Class of Notes and shall be deferred. The Issuer (or the Calculation Agent on its behalf) shall, in respect of each affected Class of Notes, create a book entry record for any amount of interest that is deferred (the "**Deferred Interest**") on the relevant Note Payment Date and such amounts shall be payable on the earlier of:

(a) any succeeding Note Payment Date when any such Deferred Interest shall be paid, but only if and to the extent that, on such Note Payment Date, there are sufficient Interest Available Funds, after deducting amounts ranking in priority to the relevant Class of Notes in accordance with the Pre Note Enforcement Notice Interest Priority of Payments or, as applicable, the Pre Note Enforcement Notice Expected Maturity Priority of Payments; and

(b) the date on which the relevant Class of Notes is redeemed in full.

Capped Class B, Class C, Class D and Class E Note Interest

On any Note Payment Date, interest due and payable on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes is subject to a cap equal to the lesser of:

(a) Note Interest Payment Amount applicable to that Class of Notes; and

(b) the relevant Adjusted Note Interest Payment Amount in respect of that Class of Notes,

where such difference is attributable to:

(i) an increase in the weighted average margin of the Notes as a result of repayments and/or prepayments on the Loans; or

(ii) a reduction in the interest payable on the Loans by operation of the Italian Usury Law.

The Class B Interest Cap, the Class C Interest Cap, the Class D Interest Cap or the Class E Interest Cap (as applicable) shall not be applied to a particular Class of Notes to the extent that such Class of Notes is the Most Senior Class of Notes.

Amounts of interest that would otherwise be represented by any such difference between the relevant Adjusted Note Interest Payment Amount and the Note Interest Payment Amount applicable to that Class of Notes shall be extinguished on such Note Payment Date and the affected Class B Noteholders, Class C Noteholders, Class D Noteholders or Class E Noteholders (as applicable) shall have no claim against the Issuer in respect thereof.

"**Adjusted Note Interest Payment Amount**" means:

(a) the Interest Available Funds in respect of such Note Payment Date (excluding, for the avoidance of doubt, the amount available for drawing by way of Interest Drawing under the Liquidity Facility Agreement on such Note Payment Date), less

(b) the sum of all amounts payable out of Interest Available Funds on such Note Payment Date in priority to the payment of interest on the relevant Class of Notes in accordance with the relevant Priority of Payments.

"**Note Interest Payment Amount**" means the amount of interest payable on each Note (other than the Class X Notes) at Note EURIBOR plus the Relevant Margin in respect of the following Note Interest Period, calculated in accordance with Condition 7 (*Interest*).

Interest on the Class X Notes

Prior to and including the Note Payment Date immediately following the Call Protection Period, the Class X1 Note will bear interest in an amount equal to the Class X Interest Amount. Prior to and including the Note Payment Date following the Call Protection Period, the Class X2 Note will not bear interest.

From and excluding the Note Payment Date following the expiry of the Call Protection Period, the Class X2 Note will bear interest in an amount equal to the Class X Interest Amount. From and excluding the Note Payment Date following the expiry of the Call Protection Period, the Class X1 Note will cease to bear interest.

"**Call Protection Period**" means the period from the Issue Date to the Loan Payment Date falling in November 2015.

The "**Class X Interest Amount**" means for any Note Payment Date the Interest Available Funds (other than Liquidity Drawings) received on a Loan during the related Collection Period (excluding Default Interest), (plus following the date on which the Notes (other than the Class X Notes) are redeemed in full, any balance credited to the Default Interest Ledger), minus the aggregate of:

(a) the Administrative Fees that are payable by the Issuer on such Note Payment Date or that have been paid by the Issuer since the most recent Note Payment Date;

(b) the Note Interest Payment Amounts payable on such Note Payment Date (which includes, without double counting, any NAI Interest Amount in respect of the Notes); and

(c) any NAI Shortfall Amounts.

Form and denomination

The denomination of the Notes will be €100,000, or integral multiples of €1,000 in excess thereof.

The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of article 28 of Decree 213 and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

"**Decree 213**" means Legislative Decree number 213 of 24 June 1998, as amended and supplemented from time to time.

Payment of Interest on the Notes

In respect of the obligations of the Issuer to pay interest on the Notes prior to the occurrence of a Class X Trigger Event:

(a) the Class A Notes and the Class X Notes, will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

(b) the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class C Notes, the Class D Notes and the Class E Notes, but subordinated to the Class A Notes and the Class X Notes;

(c) the Class C Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class D Notes and the Class E Notes, but subordinated to the Class A Notes, the Class X Notes and the Class B Notes; and

(d) the Class D Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class E Notes, but subordinated to the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes.

(e) the Class E Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D

Notes.

Subordinated Class X Amounts

Following the occurrence of a Class X Trigger Event, payment of Subordinated Class X Amounts on each Note Payment Date will be subordinated to the payment of interest and repayment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subordinated Class X Amounts shall only be paid if there is sufficient cash on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid on or provided for.

"**Subordinated Class X Amounts**" means all Class X Interest Amount accruing after the occurrence of a Class X Trigger Event.

"**Class X Trigger Event**" means the first to occur of:

(a) a Calculation Date on which either Loan is a Specially Serviced Loan;

(b) a Note Payment Date following a Loan Final Maturity Event of Default; or

(c) the delivery of a Note Enforcement Notice.

A "**Loan Final Maturity Event of Default**" means a Franc Loan Event of Default or Vanguard Loan Event of Default arising as a result of non payment of any amounts due under the relevant Loan Documents on the Franc Loan Maturity Date or Vanguard Loan Maturity Date (as applicable), as such maturity date is contemplated in the Franc Loan Agreement or Vanguard Loan Agreement as at the Issue Date.

Non Sequential Payment of Principal on the Notes

In respect of the obligations of the Issuer to pay principal on the Notes, prior to the occurrence of a Sequential Payment Trigger, payments on the Notes of each Class (other than the Class X Notes) relating to the receipt by the Issuer of Principal Available Funds will rank *pari passu* and will be made in accordance with the principal allocation percentages set out in Condition 8.7.3 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

Sequential Payment of Principal on the Notes following a Sequential Payment Trigger

In respect of the obligations of the Issuer to repay principal on the Notes (other than the Class X Notes) relating to the receipt by the Issuer of all Principal Available Funds on each Note Payment Date following the occurrence of a Sequential Payment Trigger:

(a) the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

(b) the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class C Notes, the Class D Notes and the Class E Notes, but subordinated to the Class A Notes;

(c) the Class C Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class D Notes and the Class E Notes, but subordinated to the Class A Notes and the Class B Notes;

(d) the Class D Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, and in priority to the Class E Notes, but subordinated to the Class A Notes, the Class B Notes and the Class C

Notes; and

(e) the Class E Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

A "**Sequential Payment Trigger**" means the first to occur of the following:

(a) a Calculation Date on which either Loan is a Specially Serviced Loan;

(b) a Note Payment Date following a Loan Final Maturity Event of Default; or

(c) the delivery of a Note Enforcement Notice.

Payments on the Notes following the Expected Maturity Date

In respect of the obligations of the Issuer to pay interest and principal on the Notes (other than the Class X2 Note) relating to the receipt by the Issuer of all Issuer Available Funds following the occurrence of the Expected Maturity Date:

(a) payments of interest on the Class A Notes will rank *pari passu* between themselves, but in priority to payments of principal on the Class A Notes, and payments of interest and principal on each Class of Notes ranking junior to the Class A Notes and the Subordinated Class X Amount.

(b) payments of principal on the Class A Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest on the Class A Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class A Notes and the Subordinated Class X Amount.

(c) payments of interest on the Class B Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes, but in priority to the payment of principal on the Class B Notes, and payments of interest and principal on each Class of Notes ranking junior to the Class B Notes and the Subordinated Class X Amount.

(d) payments of principal on the Class B Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes and payment of interest on the Class B Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class B Notes and the Subordinated Class X Amount.

(e) payments of interest on the Class C Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes and the Class B Notes, but in priority to the payment of principal on the Class C Notes, and payments of interest and principal on each Class of Notes ranking junior to the Class C Notes and the Subordinated Class X Amount.

(f) payments of principal on the Class C Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes and the Class B Notes, and payment of interest on the Class C Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class C Notes and the Subordinated Class X Amount.

(g) payments of interest on the Class D Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes and the Class C Notes, but in priority to the payment of principal on the Class D Notes, and payments of interest

and principal on each Class of Notes ranking junior to the Class D Notes and the Subordinated Class X Amount.

(h) payments of principal on the Class D Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Note, the Class B Notes and the Class C Notes, and payment of interest on the Class D Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class D Notes and the Subordinated Class X Amount.

(i) payments of interest on the Class E Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but in priority to the payment of principal on the Class E Notes and the Subordinated Class X Amount.

(j) payments of principal on the Class E Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Note, the Class B Notes, the Class C Notes and the Class D Notes, and payment of interest on the Class E Notes, but in priority to payments of the Subordinated Class X Amount.

(k) payment of the Subordinated Class X Amount will rank subordinate to the payment of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

Payments on the Notes following the delivery of a Note Enforcement Notice

In respect of the obligations of the Issuer to pay interest and principal on the Notes (other than the Class X Notes) relating to the receipt by the Issuer of all Issuer Available Funds following the delivery of a Note Enforcement Notice:

(a) payments of interest and principal on the Class A Notes will rank *pari passu,* but in priority to payments of interest and principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Class X Amount;

(b) payments of interest and principal on the Class B Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, but in priority to the payment of interest and principal on the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Class X Amount;

(c) payments of interest and principal on the Class C Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, and the Class B Notes, but in priority to the payment of interest and principal on the Class D Notes, the Class E Notes and the Subordinated Class X Amount;

(d) payments of interest and principal on the Class D Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes and the Class C Notes, but in priority to the Class E Notes and the Subordinated Class X Amount;

(e) payments of interest and principal on the Class E Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but in priority to the Subordinated Class X Amount; and

(f) payment of the Subordinated Class X Amount will rank subordinate to the payment of interest and principal on the Class A Notes, the Class B Notes,

the Class C Notes, the Class D Notes and the Class E Notes.

Withholding on the Notes

As at the date of this Prospectus, payments of interest and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian substitute tax (*imposta sostitutiva*), in accordance with Decree 239. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes.

Redemption

The Notes are subject to the optional or mandatory redemption events listed below.

Repayment and/or prepayment of principal on the Loans shall be allocated towards the redemption of the Notes and applied in accordance with the relevant Priority of Payments. Any Note redeemed pursuant to the redemption provisions below will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

Mandatory Redemption

The Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Note Payment Date in accordance with the Conditions, in each case following scheduled repayment and/or prepayment of the Loans to the extent of the Principal Available Funds which may be applied for this purpose in accordance with the relevant Priority of Payments.

Loan Prepayment Fees

Any Loan Prepayment Fee Amounts shall be allocated by the Issuer to each Class of Notes that is subject to mandatory early redemption in an amount equal to (i) the Allocated Note Prepayment Fee Amount calculated for that Class of Notes (other than the Class X1 Note) and (ii) the Class X1 Allocated Note Prepayment Fee Amount to the Class X1.

Optional redemption

Provided that no Note Enforcement Notice has been served on the Issuer, on any Note Payment Date falling on or after the Clean-Up Option Date the Issuer may redeem the Notes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the relevant Priority of Payments, subject to the Issuer:

(a) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes; and

(b) delivering, prior to the notice referred to in paragraph (a) above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Note Payment Date to discharge all of its outstanding liabilities in respect of the Notes and any other payment ranking in priority to or *pari passu* with the Notes in accordance with the Priority of Payments.

Redemption for tax reasons	Upon the imposition, at any time, (i) of any withholding or deduction for or on account of tax (other than a Decree 239 Deduction) from any payments to be made to the Noteholders, or (ii) of any taxes, duties, assessments or governmental charges of whatever nature on the Loan Portfolio (including on amounts payable to the Issuer in respect of the Loans) by the Republic of Italy or any political sub-division thereof or any authority thereof or therein, and **provided that** the Issuer has certified and produced evidence acceptable to the Representative of the Noteholders that it will have the necessary funds (not subject to the interests of any person) to discharge all of its outstanding liabilities in respect of the Notes and any amount required to be paid under the Conditions and the Intercreditor Agreement in priority to or *pari passu* with the Notes, the Issuer may, subject as provided in the Conditions, redeem, on the next succeeding Note Payment Date, in whole (but not in part) the Notes at their Principal Amount Outstanding together with accrued but unpaid interest up to and including the relevant Note Payment Date.
Redemption of the Class X Notes	The Class X Notes will be subject to mandatory redemption in part on the first Note Payment Date in the amount of €95,000 for each of the Class X Notes pursuant to Condition 8.3 (*Mandatory Redemption of the Class X Notes*). The Class X2 Note will be subject to mandatory redemption in full from amounts standing to the credit of the Class X Account on the Note Payment Date where the last remaining Notes are to be redeemed in full pursuant to Condition 8.1 (*Final Redemption*). The Class X1 Notes will be subject to mandatory redemption in full from amounts standing to the credit of the Class X Account on the Note Payment Date falling in November 2015. Such redemption of the Class X Notes will be made directly from amounts held in the Class X Account. Class X Redemption Amounts will form part of Issuer Available Funds only for the purpose of redeeming the Class X Notes.
Expected Maturity Date and Final Maturity Date	Unless previously redeemed in full, the Notes are expected to mature on the Note Payment Date in August 2019 (the "**Expected Maturity Date**"), and the Notes of each class will in any event be due to be repaid in full at their Principal Amount Outstanding not later than on the Note Payment Date falling in August 2026 (the "**Final Maturity Date**"). The Notes, to the extent not redeemed in full on their Final Maturity Date, shall be cancelled.
Segregation of Issuer's Rights	The Notes have the benefit of the provisions of article 3 of the Italian Securitisation Law (as amended by the Law Decree *Competitività* and subject to it being converted into law), pursuant to which (i) the receivables from the Loan Portfolio are segregated by operation of law from the Issuer's other assets; and (ii) the moneys and deposits held by servicers and sub-servicers in charge of the collection services and the moneys standing to the credit of the transaction accounts held by or on behalf of the Issuer will, by operation of law, be segregated for all purposes from all other deposits and moneys of the relevant depository, for the exclusive benefit of the Noteholders, the Other Issuer Creditors and other creditors of the Securitisation. Both before and after a winding up of the Issuer or of the relevant depository, amounts deriving from the Loan Portfolio and any other moneys or deposits as listed above, as the case may be, will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. See for further details "*Selected Aspects of Italian Law – Ring fencing of the assets*".

Neither the Loan Portfolio nor (as a consequence of the enactment of the Law Decree *Competitività* and subject to it being converted into law) any moneys or deposits standing to the credit of the accounts held by or on behalf of the Issuer, may be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Note Enforcement Notice or upon failure by the Issuer to exercise its rights under the Issuer Transaction Documents within 10 days from notification of such failure, to exercise all the Issuer's rights, powers and discretion under the Issuer Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Loan Portfolio and the Issuer's Rights. Italian law governs the delegation of such power. In addition, security over certain rights of the Issuer arising out of certain Issuer Transaction Documents will be granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Deed of Pledge, for the benefit of itself, the Noteholders and the Other Issuer Creditors.

Note Event of Default

If any of the following events occurs:

(a) *Non-payment*:

The Issuer fails to pay any amount of principal due and payable in respect of the Most Senior Class of Notes within five days of the due date for payment of such principal or fails to pay any amount of interest in respect of the Most Senior Class of Notes within three days of the due date for payment of such interest;

(b) *Breach of other obligations:*

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Issuer Transaction Documents to which it is a party (other than any obligation to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of remedy or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy remains unremedied for 30 days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied;

(c) *Insolvency of the Issuer*:

an Insolvency Event occurs with respect to the Issuer; or

(d) *Unlawfulness:*

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Issuer Transaction Documents to which it is a party,

then the Representative of the Noteholders may, or shall if so directed by an Extraordinary Resolution of Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Notes and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred (in each case subject to being indemnified and/or secured to its satisfaction, and in respect of (b) above following confirmation by the Representative of the Noteholders that such breach is materially prejudicial to Noteholders), serve a Note Enforcement Notice on the Issuer declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following

which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in the Conditions and described in "*Post Note Enforcement Notice Priority of Payments*" below and on such dates as the Representative of the Noteholders may determine.

Non petition

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Issuer Transaction Documents to obtain payment of the Obligations or enforce the Issuer Transaction Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce the Issuer Transaction Security. In particular:

(a) no Noteholder is entitled, otherwise than as permitted by the Issuer Transaction Documents, to direct the Representative of the Noteholders to enforce the Issuer Transaction Security and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Issuer Transaction Security;

(b) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Issuer Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(c) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all the Noteholders) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

(d) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

Limited Recourse

Notwithstanding any other provision of the Issuer Transaction Documents, all obligations of the Issuer to the Noteholders are limited in recourse as set out below:

(a) other than in respect of principal payments on the Class X Notes, each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(b) in respect of principal payments on the Class X Notes, the Class X Noteholders will have a claim only in respect of the funds credited to the Class X Account and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(c) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the relevant Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder; and

(d) if the Master Servicer (or the Delegate Servicer on its behalf) has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Loans or

the Loan Security (whether arising from judicial enforcement proceedings, enforcement of the Loan Security or otherwise) which would be available to pay unpaid amounts outstanding under the Issuer Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 20 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Loan Portfolio (whether arising from judicial enforcement proceedings, enforcement of the Loan Security or otherwise) which would be available to pay amounts outstanding under the Issuer Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

The Organisation of the Noteholders

The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

Representative of the Noteholders

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an Exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, which is appointed in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

Enforcement

At any time after a Note Enforcement Notice has been served on the Issuer, the Representative of the Noteholders, may at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Notes and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred.

Following the delivery of a Note Enforcement Notice the Representative of the Noteholder may at its discretion direct the Issuer to sell the Loan Portfolio or a substantial part thereof, and shall direct the Issuer to sell the Loan Portfolio or a substantial part thereof if requested by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Notes and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred.

Rating

The Class A Notes are expected to be rated " A+(sf)" by Fitch and "A(High)(sf)" by DBRS on the Issue Date.

The Class B Notes are expected to be rated "A(sf)" by Fitch and "A(sf)" by DBRS on the Issue Date.

The Class C Notes are expected to be rated "BBB-(sf)" by Fitch and "BBB(sf)" by DBRS on the Issue Date.

The Class D Notes are expected to be rated "BB+(sf)" by Fitch and "BBB(sf)" by DBRS on the Issue Date.

The Class E Notes are expected to be rated "B(sf)" by Fitch and "BB(sf)" by DBRS on the Issue Date.

` **A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. The credit rating applied for in relation to the Notes will be issued by the Rating Agencies each of which is established in the European Union and is registered under Regulation (EU) No 1060/2009 CRA Regulation, as resulting from the list of registered credit rating agencies (reference number 2011/247) published on 31 October 2011 by the European Securities and Markets Authority (ESMA).**

Listing Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Main Securities Market.

The Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Governing Law The Notes will be governed by Italian law.

Regulatory Disclosure

Capital Requirements Regulation

Articles 404 - 410 of the CRR apply, in general, to securitisations issued on or after 1 January 2011. The CRR restricts a credit institution and investment firm regulated in a Member State of the European Economic Area ("**EEA**") and consolidated group affiliates thereof (each, an "**Affected Investor**") from investing in a securitisation (as defined by the CRR) unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the Affected Investor that it will retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. in that securitisation in the manner contemplated by Article 405 of the CRR.

In addition Article 51 of the AIFMR applies, in general, to securitisations issued on or after 1 January 2011. The AIFMR restricts an Alternative Investment Fund Manager ("**AIFM**") (as that term is defined in Directive 2011/61/EU ("**AIFMD**") assuming exposure to a securitisation on behalf of an alternative investment fund that it manages unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the AIFM that it retains, on an ongoing basis, a material net economic interest of not less than 5 per cent. in that securitisation in the manner consistent with Article 405 of the CRR.

In the Subscription Agreement, Goldman Sachs International has undertaken to the Issuer that from the Issue Date as originator in accordance with (i) Article 405(1) of the CRR and (ii) Article 51 of (the "**AIFMR**") as it is interpreted and applied on the date of this Prospectus (in particular, in the light of Article 56 of AIFMR), it shall retain on an ongoing basis, a material net economic interest of not less than 5 per cent. in the Securitisation. Such material net economic interest will, in accordance with Article 405(1) (a), comprise the retention of no less than 5 per cent. of the nominal value of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes. Any change to the manner in which this interest is held will be notified to Noteholders.

In addition Goldman Sachs International has undertaken to provide confirmation on a quarterly basis to the Primary Servicer that it continues to retain a material net economic interest of not less than 5 per cent. in accordance with Article 405(1)(a) of

the CRR, in respect of the Securitisation, for inclusion by the Calculation Agent of such confirmation in the Investor Report. The Issuer will acknowledge and agree that Goldman Sachs International shall not be in breach of any such undertakings if it fails to comply due to events, actions or circumstances beyond its control.

The Calculation Agent relies, in preparing the Investor Report, on the information received from Goldman Sachs in respect of risk retention. The Calculation Agent shall not be liable for any omission, any mistake and/or any failure to perform its obligations if such omission, mistake and/or failure are caused by the non-delivery, incomplete or late delivery of such information by Goldman Sachs.

Investor Report

Following the Issue Date, on each Note Payment Date, investors will have access to the Investor Report issued by the Calculation Agent, which will be generally available to the Noteholders and prospective investors at the offices of the Paying Agent and on the Calculation Agent's website at http://www.securitisation-services.com.

It is agreed and understood that neither the Calculation Agent nor the Issuer shall be liable for any omission or delay in making available Investor Report which is due to electronic or technical inconveniences relating to or connected with the internet network or the relevant website or which is not due to wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of any of the Calculation Agent or the Issuer, as the case may be.

The Issuer Transaction Documents shall be made available generally to Noteholders and prospective investors on the Paying Agent's website at www.gctabsreporting.bnpparibas.com.

E Rights of Noteholders and Relationship with the Other Issuer Creditors

Please refer to sections entitled "Terms and Conditions of the Notes" and "Exhibit to the Terms and Conditions of the Notes – Rules of the Organisation of the Noteholders" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with the Other Issuer Creditors.

Noteholder Decision Making

Noteholders holding no less than 10 per cent. of the Principal Amount Outstanding of the Notes (other than the Class X Notes) then outstanding are entitled to convene a Noteholders' meeting. Noteholders can also participate in a Noteholders' meeting convened by the Issuer or Representative of the Noteholders to consider any matter affecting their interests.

The Issuer may, and if requested by the Primary Servicer or the Special Servicer will, convene Noteholder meetings (at the cost of the Issuer) for any purpose, including consideration of Extraordinary Resolutions or Ordinary Resolutions.

The Class X Noteholders will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) other than for resolutions specifically presented to them by request of the Primary Servicer or the Special Servicer acting on behalf of the Issuer, or in respect of a Class X Entrenched Right.

Any Ordinary Resolution or Extraordinary Resolution passed by the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders will be binding on the Class X Noteholders (other than any resolutions in respect of a Class X Entrenched Right) if passed in accordance with the Rules.

Disenfranchised Noteholders will not be entitled to convene, count in the quorum or pass resolutions, including Extraordinary Resolutions and Ordinary Resolutions.

See "*Terms and Conditions of the Notes*" below for further details.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Holding Company**" means a legal entity in respect of which another legal entity is a Subsidiary.

"Borrower Affiliate" means a Borrower and each of their respective Affiliates and:

(a) any trust of which either a Borrower or any of its respective Affiliates is a trustee;

(b) any partnership of which either a Borrower or any of its respective Affiliates is a partner;

(c) any trust, fund or other entity which is managed or advised by, or is under the control of, a Borrower or any of its respective Affiliates; and

(d) any trust, fund or other entity which is managed or advised by the same investment manager or investment adviser as a Borrower or any of its respective Affiliates or, if it is managed by a different investment manager or investment adviser, any trust, fund or other entity whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of a Borrower or any of its respective Affiliates,

provided that any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by a Borrower or any of its Affiliates otherwise included under this definition shall not constitute a Borrower Affiliate.

"Borrower" means each of the Franc Borrower and the Vanguard Borrowers.

"Disenfranchised Noteholder" means (i) the Issuer or any Affiliate of the Issuer; or (ii) any Borrower Affiliate, or (iii) any Investor Affiliate.

"Investor Affiliate" has the meaning ascribed to that term in the Vanguard Loan Agreement.

Noteholders Meeting provisions		*Initial meeting*	*Adjourned meeting*
	Notice period:	14 days	7 days
	Quorum:	**Ordinary Resolution**: two or more persons (or one person in the case of a single Noteholder holding all the Notes of the relevant Class of Notes) holding Notes, or representing Noteholders of that Class or those Classes, representing at least 50 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes.	**Ordinary Resolution**: two or more persons (or one person in the case of a single Noteholder holding all the Notes of the relevant Class of Notes) holding Notes, or representing Noteholders of that Class or those Classes, representing at least 25 per cent. of the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes.

	Extraordinary Resolution (other than Basic Terms Modification): two or more persons (or one person in the case of a single Noteholder holding all the Notes of the relevant Class of Notes) holding Notes, or representing Noteholders of that Class or those Classes, representing at least 75 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes.	**Extraordinary Resolution (other than Basic Terms Modification, to approve the waiver of any Note Event of Default, to approve the acceleration of the Notes or the enforcement of the Issuer Transaction Security (including the sale of the Loan Portfolio), or a resolution relating to a Class X Entrenched Rights)**: two or more persons (or one person in the case of a single Noteholder holding all the Notes of the relevant Class of Notes) holding Notes, or representing Noteholders of that Class or those Classes, representing at least 25 per cent. of the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes.
	Extraordinary Resolution enabling a Basic Terms Modification: two or more persons (or one person in the case of a single Noteholder holding all the Notes of the relevant Class of Notes) holding Notes, or representing Noteholders of that Class or those Classes, representing at least 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes.	**Extraordinary Resolution enabling a Basic Terms Modification, to approve the waiver of any Note Event of Default, to approve the acceleration of the Notes or the enforcement of the Issuer Transaction Security (including the sale of the Loan Portfolio), or a resolution relating to a Class X Entrenched Rights:** two or more persons (or one person in the case of a single Noteholder holding all the Notes of the relevant Class of Notes) holding Notes, or representing Noteholders of that Class, representing at least 50 per cent. of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class of Notes.
Required majority:	**Ordinary Resolution**: More than 50 per cent. of votes cast for matters requiring Ordinary Resolution. **Extraordinary Resolution**: Not less than 75 per cent. of votes cast for matters requiring Extraordinary Resolution.	

Written Resolutions: An Extraordinary Resolution passed in writing by holders of not less than 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes (a "**Written Extraordinary Resolution**") will have the same effect as an Extraordinary Resolution.

An Ordinary Resolution passed in writing by holders of more than 50 per cent. of the Principal Amount Outstanding of the relevant Class of Notes (a "**Written Ordinary Resolution**") will have the same effect as an Ordinary Resolution.

Negative Consent

The Issuer or the Representative of the Noteholders may propose an Extraordinary Resolution or an Ordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Transaction Security, or a resolution relating to a Class X Entrenched Right) of the Noteholders or any Class of Noteholders relating to any matter for consideration and approval by Negative Consent by the Noteholders or the Noteholders of such Class.

An Ordinary Resolution or relevant Extraordinary Resolution will pass by Negative Consent where:

(a) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, has been given by the Issuer or the Representative of the Noteholders to the Noteholders or the Noteholders of such Class in accordance with the provisions of Condition 20 (*Notices*);

(b) such notice contains a statement requiring such Noteholders to inform the Representative of the Noteholders in writing if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of:

(i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class; or

(ii) in the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such class,

makes such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders or the Noteholders of such Class and specifying the requirements for the making of such objections; and

(c) holders of:

(i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such class or

(ii) n the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class,

have not informed the Representative of the Noteholders in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within 30 days of the date of the relevant notice.

(For further information please see *"Article 6.3 (Negative Consent)"* of the Rules)

Extraordinary Resolution

Broadly speaking, the following matters require an Extraordinary Resolution:

(a) Approval of a Basic Terms Modification;

(b) Direction of the Representative of the Noteholders by the Noteholders to serve a Note Enforcement Notice on the Issuer or commence enforcement proceedings; and

(c) Approval of certain modifications to the Rules, the Conditions, or an Issuer Transaction Document, including the right to remove or replace the Representative of the Noteholders;

Relationship between Classes of Noteholders

Subject to provisions governing (i) the termination of the appointment of the Primary Servicer or Special Servicer, and (ii) a Basic Terms Modification or matters that require an Extraordinary Resolution, an Ordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes and would override any resolutions to the contrary by them.

Subject to the provisions governing an Extraordinary Resolution of Noteholders relating to (i) a Basic Terms Modification, (ii) the delivery of a Note Enforcement Notice, or the commencement of any enforcement proceedings by the Representative of the Noteholders, or (iii) a Class X Entrenched Right, an Extraordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes and would override any resolutions to the contrary by them.

The passing of an Extraordinary Resolution relating to (i) A Basic Terms Modification, and (ii) the direction of the Representative of the Noteholders to deliver a Note Enforcement Notice, or commence enforcement proceedings requires an Extraordinary Resolution of all Classes of Notes then outstanding (other than the Class X Notes).

No Extraordinary Resolution (or Ordinary Resolution) may authorise or sanction any modification or waiver of a Class X Entrenched Right unless the Representative of the Noteholders has received the written consent of (i) prior to and including the Note Payment Date immediately following the Call Protection Period, each Class X Noteholder, and (ii) from and excluding the Note Payment Date following the expiry of the Call Protection Period, the Class X2 Noteholder.

Originator as Noteholder

There are no restrictions on the rights of the Originator in respect of voting or counting in the quorum in respect of any retained portion of the Notes.

Relationship between Noteholders and the Other Issuer Creditors

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders and the Other Issuer Creditors, the Representative of the Noteholders shall take into account the interests of the Noteholders only in the exercise of its discretion.

Provision of Information to the Noteholders

The Calculation Agent will provide on each Note Payment Date the Investor Report containing information in relation to the Notes including, but not limited to, ratings of the Notes, amounts paid by the Issuer pursuant to the Priority of Payments in respect of the relevant period, and confirmation of risk retention by the Originator.

Communication with Noteholders

Any notice to be given by the Issuer or Representative of the Noteholders to Noteholders shall be given in the following manner:

(a) so long as the Notes are held in the Clearing System, by delivery to the Clearing System for communication by it to Noteholders; and

(b) so long as the Notes are listed on a recognised stock exchange, by delivery in accordance with the notice requirements of that exchange.

The Representative of the Noteholders shall be at liberty to disregard any such method where, in its opinion, the use of such method would be unreasonable and/or contrary to the interests of Noteholders, in which case it shall inform Noteholders accordingly.

Any communication given by the Issuer or Representative of the Noteholder to Noteholders shall also be given to the Rating Agencies.

F **Additional Relevant Dates and Periods**

Issue Date

The Issuer will issue the Notes on or about 21 July 2014 (the "**Issue Date**").

Collection Period

The period commencing one day after a Loan Payment Date and ending on the next Loan Payment Date, except in respect of the first Collection Period, which commences on (and including) the Issue Date and ends on the Loan Payment Date falling in November 2014 (each a "**Collection Period**").

Note Interest Determination Date

(a) With respect to the first Note Interest Period, the day falling 2 TARGET Days prior to the Issue Date; and

(b) With respect to each subsequent Note Interest Period, the date falling 2 TARGET Days prior to the Note Payment Date at the beginning of such Note Interest Period (together with (a) above, each a "**Note Interest Determination Date**").

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

Calculation Date

The date falling 3 Business Days prior to the Note Payment Date (each a "**Calculation Date**") on which the Calculation Agent is required to determine all amounts due in accordance with the relevant Priority of Payments on the forthcoming Note Payment Date and the amounts available to make such payments and shall deliver the Calculation Agent Quarterly Report.

Note Payment Date

22 February, 22 May, 22 August and 22 November of each year **provided that** the first Note Payment Date shall be 22 November 2014 (or, if such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day) (each a "**Note Payment Date**").

Note Interest Period	In respect of the first Note Interest Period, the period commencing on (and including) the Issue Date and ending on (but excluding) the Note Payment Date falling in November 2014 and, in respect of any successive Note Interest Period, the period from (and including) the next Note Payment Date to (and excluding) the next following Note Payment Date (each a "**Note Interest Period**").
Loan Payment Report Date	Each date falling 1 Business Day after each Loan Payment Date on which the Primary Servicer is required to deliver the relevant Loan Payment Report (each a "**Loan Payment Report Date**").
Servicer Quarterly Report Date	Each date falling 5 Business Days after each Loan Payment Date (each a "**Servicer Quarterly Report Date**") on which the Primary Servicer is required to deliver the relevant Servicer Quarterly Report. Information in respect of the Loans will be provided to the investors on a quarterly basis in accordance with the applicable investor reporting guidelines published by CMSA- E-IRP from time to time.
Investor Report Date	Each Note Payment Date (each an "**Investor Report Date**") on which the Calculation Agent is required to deliver the relevant Investor Report.

G Credit Structure and Cashflow

Please refer to sections entitled "Description of the Issuer Transaction Documents" for further detail in respect of the credit structure and cash flow of the transaction

Issuer Available Funds

The Issuer Available Funds (the "**Issuer Available Funds**"), in respect of any Note Payment Date, comprise the aggregate of the Interest Available Funds, the Class X Redemption Amounts, the Principal Available Funds and the Loan Prepayment Fee Amounts.

Interest Available Funds

The Interest Available Funds (the "**Interest Available Funds**") in respect of any Note Payment Date, comprise the aggregate of:

(a) all amounts paid in respect of the Loans on account of interest (including any Default Interest), fees (excluding Loan Prepayment Fee Amounts), breakage costs, expenses, commissions and other sums and any receipts in respect of any insurance policy covering the risk of loss of rent during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(b) all Recoveries in respect of interest collected by the Primary Servicer or Special Servicer during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(c) any Liquidity Drawings made with reference to such Note Payment Date (other than any Property Protection Drawing);

(d) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer Accounts (other than the

Issuer Standby Account) during the immediately preceding Collection Period, to the extent that such amounts exceed zero;

(e) all other items and payments received by the Issuer which do not qualify as Principal Available Funds and which have been credited to the Issuer Collection Account during the immediately preceding Collection Period;

(f) the Indemnity Value under the Loan Portfolio Sale Agreement, if any, excluding the principal element thereof;

(g) the Retention Amount; and

(h) amounts standing to the credit of the Default Interest Ledger up to the Required Amount and on final redemption of the Notes in accordance with the Conditions, all amounts standing to the credit of the Default Interest Ledger.

Prior to the delivery of a Note Enforcement Notice or the Expected Maturity Date, Interest Available Funds shall be allocated on each Note Payment Date towards the payment of the Administrative Fees, interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, any Note Premium Amount, any Class X Interest Amount, any Liquidity Subordinated Amount and any additional consideration payable pursuant to the Loan Portfolio Sale Agreement to the Originator, as applicable.

"**Recoveries**" means any Receivable received or recovered by the Primary Servicer or, if a Loan has become a Specially Serviced Loan, the Special Servicer after the scheduled date of payment.

Default Interest Ledger

On the Issue Date, the Issuer shall establish a Default Interest Ledger, which shall be a ledger in the Issuer Expenses Account.

Default Interest received by the Issuer shall form part of Interest Available Funds. On each Note Payment Date, an amount of the Interest Available Funds up to an amount equal to the Default Interest received by the Issuer during the immediately preceding Collection Period shall be credited to the Default Interest Ledger.

On each Note Payment Date prior to the Note Payment Date on which the Notes are redeemed in full, any amounts standing to the credit of the Default Interest Ledger shall form part of Interest Available Funds only to the extent that there is shortfall in Interest Available Funds available to pay (i) Issuer Expenses and (ii) Other Issuer Creditor Fees and Expenses (such amount the "**Required Amount**").

Upon final redemption of the Notes, in accordance with the Conditions, all amounts standing to the credit of the Default Interest Ledger shall form part of the Interest Available Funds to be applied in accordance with the relevant Priority of Payments. Upon final redemption of the Notes, any Default Interest shall not be credited to the Default Interest Ledger, but shall form part of Interest Available Funds to make all other payments in accordance with the relevant Priority of Payments.

Franc Loan August 2014 Prepayment Risk

The Franc Loan could be prepaid in full or in part on or before the Loan Payment Date falling in August 2014. The corresponding scheduled redemption of the Notes in accordance with Condition 8 would occur on the

first Note Payment Date falling in November 2014. Any such prepayment of the Franc Loan could create a mismatch between the outstanding principal amount of the Loans and the Principal Amount Outstanding of the Notes between 15 August 2014 and the first Note Payment Date, which would cause a shortfall between the interest payable on the Loans and the Notes in respect of the first Note Interest Period (the "**Franc Prepayment Interest Shortfall**").

In respect of the first Note Interest Period, to the extent of any Franc Prepayment Interest Shortfall:

(a) the Class X1 Allocated Note Prepayment Fee Amount on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall; and

(b) if the Class X1 Allocated Note Prepayment Fee Amount is insufficient to cover any Franc Prepayment Interest Shortfall, any Allocated Note Prepayment Fee Amount payable to the Noteholders on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall applying first the Allocated Note Prepayment Fee Amount attributable to the Class E Notes and then the other Classes of Notes on a reverse sequential basis.

Principal Available Funds

The Principal Available Funds (the "**Principal Available Funds**") in respect of any Note Payment Date comprise the aggregate of:

(a) all amounts in respect of the Loans on account of principal received during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(b) all Recoveries in respect of principal collected by the Primary Servicer or Special Servicer during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(c) any insurance proceeds received by the Issuer (other than those relating to loss of rent);

(d) the principal element of the Indemnity Value under the Loan Portfolio Sale Agreement received by the Issuer; and

(e) any other receipts of a principal nature.

Loan Prepayment Fee Amounts

Loan Prepayment Fee Amounts shall be allocated by the Issuer to each Class of Notes that is subject to mandatory early redemption in an amount equal to the Allocated Note Prepayment Fee Amount calculated for that Class of Notes (other than the Class X Notes), with any Class X1 Allocated Note Prepayment Fee Amount allocated to the Class X1 Note.

Loan Prepayment Fee Amounts shall be paid to Noteholders in accordance with the Pre Note Enforcement Notice Interest Priority of Payments, but shall only be applied to pay (i) any Allocated Note Prepayment Fee Amount payable on each Class of Notes (other than the Class X Notes) and (ii) any Class X1 Allocated Note Prepayment Fee Amount payable in respect of the Class X1 Note.

"**Loan Prepayment Fee Amounts**" means any Loan Prepayment Fees

received by the Issuer

Pre Note Enforcement Notice Interest Priority of Payments

Prior to the delivery of a Note Enforcement Notice, and prior to the Expected Maturity Date or upon full redemption of all the Notes pursuant to any provision of Condition 8 (*Redemption, Purchase and Cancellation*), the Interest Available Funds and the Loan Prepayment Fee Amounts shall be applied on each Note Payment Date in making the following payments in the following order of priority (the "**Pre Note Enforcement Notice Interest Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) *First*, to pay or allocate for payment during the following Note Interest Period, *pari passu* and *pro rata* according to the respective amounts thereof, any Issuer Expenses (to the extent that amounts standing to the credit of the Issuer Expenses Account have been insufficient to pay such costs during the immediately preceding Note Interest Period);

(b) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Issuer Transaction Documents;

(c) *Third,* to credit into the Issuer Expenses Account on each Note Payment Date such amount as will maintain the balance of such account at (but not in excess of) the Retention Amount;

(d) *Fourth* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Note Payment Date to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer and the Delegate Servicer;

(e) *Fifth,* to pay any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(f) *Sixth*, on each Note Payment Date prior to (but not including) the final redemption in full of the Notes, to credit an amount up to the amount of any Default Interest received by the Issuer during the immediately preceding Collection Period to the Default Interest Ledger;

(g) *Seventh*, to pay *pari passu* and *pro rata*, (i) all amounts of interest due and payable on the Class A Notes, any Allocated Note Prepayment Fee Amount payable on the Class A Notes, and (ii) prior to a Class X Trigger Event (and excluding any amounts drawn pursuant to a Liquidity Drawing), the Class X Interest Amount and (iii) any Class X1 Allocated Note Prepayment Fee Amount payable to the Class X1 Noteholder on such Note Payment Date;

(h) *Eighth,* to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class B Notes and any Allocated Note Prepayment Fee Amount payable on the Class B Notes on such Note Payment Date;

(i) *Ninth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class C Notes and any Allocated Note Prepayment Fee Amount payable on the Class C Notes on such Note Payment Date;

(j) *Tenth*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class D Notes and any Allocated Note Prepayment Fee Amount payable on the Class D Notes on such Note Payment Date;

(k) *Eleventh*, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class E Notes and any Allocated Note Prepayment Fee Amount payable on the Class E Notes on such Note Payment Date;

(l) *Twelfth*, any Note Premium Amount due and payable on the Class A Notes;

(m) *Thirteenth*, any Note Premium Amount due and payable on the Class B Notes;

(n) *Fourteenth,* any Note Premium Amount due and payable on the Class C Notes;

(o) *Fifthteenth,* any Note Premium Amount due and payable on the Class D Notes;

(p) *Sixteenth,* any Note Premium Amount due and payable on the Class E Notes;

(q) *Seventeenth*, to pay any Liquidity Subordinated Amounts;

(r) *Eighteenth*, following the occurrence of a Class X Trigger Event, (i) an amount up to the applicable Subordinated Class X Amount, and (ii) any Class X1 Allocated Note Prepayment Fee Amount due and payable to the Class X1 Noteholder; and

(s) *Nineteenth*, payment of any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator,

provided that Liquidity Drawings shall not be available to make payments of Allocated Note Prepayment Fee Amount, Note Premium Amount, interest payable on the Notes other than the Most Senior Class of Notes, amounts due on the Class X Notes or the Class E Notes or any amounts due to the Originator.

Pre Note Enforcement Notice Principal Priority of Payments

Prior to the delivery of a Note Enforcement Notice, and prior to the Expected Maturity Date, the Principal Available Funds, the Class X Redemption Amounts shall be applied on each Note Payment Date in making the following payments in the following order of priority (the "**Pre Note Enforcement Notice Principal Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) *First*, following application of Interest Available Funds in accordance with the Pre Note Enforcement Notice Interest Priority of Payments, the Liquidity Repayment Amount;

(b) *Second*, to pay *pari passu* and *pro rata*, (i) the lesser of the Class A Principal Payment Amount due and payable and the Principal

Amount Outstanding of the Class A Notes and (ii) any principal amounts due and payable on the Class X Notes;

(c) *Third*, to pay the lesser of the Class B Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class B Notes;

(d) *Fourth*, to pay the lesser of the Class C Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class C Notes;

(e) *Fifth*, to pay the lesser of the Class D Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class D Notes; and

(f) *Sixth*, to pay the lesser of the Class E Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class E Notes; and

(g) *Seventh,* to pay any surplus in accordance with the Pre Note Enforcement Notice Interest Priority of Payments.

Pre Note Enforcement Notice Expected Maturity Priority of Payments:

Prior to the service of a Note Enforcement Notice and following the occurrence of the Expected Maturity Date, the Issuer Available Funds shall be applied on each Note Payment Date, in the manner and in the following order of priority (the "**Pre Note Enforcement Notice Expected Maturity Priority of Payments**") (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *First*, to pay or allocate for payment during the following Note Interest Period, *pari passu* and *pro rata* according to the respective amounts thereof, any Issuer Expenses (to the extent that amounts standing to the credit of the Issuer Expenses Account have been insufficient to pay such costs during the immediately preceding Note Interest Period);

(b) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Issuer Transaction Documents;

(c) *Third,* to credit into the Issuer Expenses Account such amount as will maintain the balance of such account at (but not in excess of) the Retention Amount;

(d) *Fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Note Payment Date to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer and the Delegate Servicer;

(e) *Fifth*, to pay any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(f) *Sixth*, on each Note Payment Date prior to (but not including) the final redemption in full of the Notes, to credit an amount up to the amount of any Default Interest received by the Issuer during the

immediately preceding Collection Period to the Default Interest Ledger;

(g) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest on the Class A Notes;

(h) *Eighth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Class A Notes;

(i) *Ninth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest on the Class B Notes;

(j) *Tenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Class B Notes;

(k) *Eleventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest on the Class C Notes;

(l) *Twelfth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Class C Notes;

(m) *Thirteenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest on the Class D Notes;

(n) *Fourteenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Class D Notes;

(o) *Fifteenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest on the Class E Notes;

(p) *Sixteenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Class E Notes;

(q) *Seventeenth*, any Note Premium Amount due and payable on the Class A Notes;

(r) *Eighteenth*, any Note Premium Amount due and payable on the Class B Notes;

(s) *Nineteenth,* any Note Premium Amount due and payable on the Class C Notes;

(t) *Twentieth,* any Note Premium Amount due and payable on the Class D Notes;

(u) *Twenty-first,* any Note Premium Amount due and payable on the Class E Notes;

(v) *Twenty-second*, to pay any Liquidity Subordinated Amounts;

(w) *Twenty-third*, an amount up to the applicable Subordinated Class X Amount, and any principal amounts due and payable on the Class X Notes; and

(x) *Twenty-fourth*, payment of any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator,

provided that Liquidity Drawings shall not be available to make payments of Note Premium Amount, interest payable on the Notes other than the Most Senior Class of Notes, amounts due on the Class X Notes or the Class E Notes or any amounts due to the Originator.

Post Note Enforcement Notice Priority of Payments:

On each Note Payment Date following the delivery of a Note Enforcement Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority (the "**Post Note Enforcement Notice Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) *First*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Issuer Expenses (to the extent that amounts standing to the credit of the Issuer Expenses Account have been insufficient to pay such costs during the immediately preceding Note Interest Period);

(b) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Issuer Transaction Documents;

(c) *Third,* to credit into the Issuer Expenses Account on each Note Payment Date such amount as will maintain the balance of such account at (but not in excess of) the Retention Amount;

(d) *Fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Note Payment Date to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer and the Delegate Servicer;

(e) *Fifth*, to pay any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(f) *Sixth,* on each Note Payment Date prior to (but not including) the final redemption in full of the Notes, to credit an amount up to the amount of any Default Interest received by the Issuer during the immediately preceding Collection Period to the Default Interest Ledger;

(g) *Seventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest and principal payable on the Class A Notes and any Allocated Note Prepayment Fee Amount payable on the Class A Notes;

(h) *Eighth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest and principal payable on the Class B Notes and any Allocated Note Prepayment Fee Amount payable on the Class B Notes;

(i) *Ninth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest and principal payable on the Class C Notes and any Allocated Note Prepayment Fee Amount payable on the Class C Notes;

(j) *Tenth*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest and principal payable on the Class D Notes and any Allocated Note Prepayment Fee Amount payable on the Class D Notes;

(k) *Eleventh*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of interest and principal payable on the Class E Notes and any Allocated Note Prepayment Fee Amount payable on the Class E Notes;

(l) *Twelfth*, any Note Premium Amount due and payable on the Class A Notes;

(m) *Thirteenth*, any Note Premium Amount due and payable on the Class B Notes;

(n) *Fourteenth,* any Note Premium Amount due and payable on the Class C Notes;

(o) *Fifteenth,* any Note Premium Amount due and payable on the Class D Notes;

(p) *Sixteenth,* any Note Premium Amount due and payable on the Class E Notes;

(q) *Seventeenth*, to pay any Liquidity Subordinated Amounts;

(r) *Eighteenth,* (i) an amount up to the applicable Subordinated Class X Amount, (ii) any Class X1 Allocated Note Prepayment Fee Amount due and payable to the Class X1 Noteholder and (iii) any principal amounts due and payable on the Class X Notes; and

(s) *Nineteenth,* payment of any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator,

provided that Liquidity Drawings shall not be available to make payments of Allocated Note Prepayment Fee Amount, Note Premium Amount, interest payable on the Notes other than the Most Senior Class of Notes, amounts due on the Class X Notes or the Class E Notes or any amounts due to the Originator.

General Credit Structure

The general credit structure of the transaction includes, broadly speaking, the following elements:

(a) ***Intercreditor Agreement***

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders shall be entitled, *inter alia*, following the service of a Note Enforcement Notice and until the Notes have been repaid in full or cancelled in accordance with the Conditions, to pay or cause to be paid on behalf of the Issuer and using the Issuer Available Funds all sums due and payable by the Issuer to the Noteholders, the Other Issuer Creditors and third party creditors in respect of costs and expenses incurred in the context of the Securitisation, in accordance with the terms of the Priority of Payments.

See for further details "*Description of the Issuer Transaction Documents - The Intercreditor Agreement*".

(b) ***Cash Allocation, Management and Payments Agreement***

Under the terms of the Cash Allocation, Management and Payments Agreement, the Issuer Account Bank, the Calculation Agent, the Corporate Servicer, the Issuer Account Bank and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, cash management

and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Issuer Accounts and with certain agency services.

The Calculation Agent has agreed to prepare, on or prior to each Calculation Date, the Calculation Agent Quarterly Report containing details of amounts to be paid by the Issuer on the Note Payment Date following such Calculation Date in accordance with the Priority of Payments. On each Note Payment Date, the Paying Agent shall apply amounts transferred to it out of the Issuer Payments Account in making payments to the Noteholders in accordance with the relevant Priority of Payments, as set out in the Calculation Agent Quarterly Report.

See for further details "*Description of the Issuer Transaction Documents - The Cash Allocation, Management and Payments Agreement*".

(c) ***Mandate Agreement***

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Note Enforcement Notice being served upon the Issuer following the occurrence of a Note Event of Default or upon failure by the Issuer to exercise its rights under the Issuer Transaction Documents within 10 days from the notification of such failure, and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non monetary rights arising out of certain Issuer Transaction Documents to which the Issuer is a party.

See for further details "*Description of the Issuer Transaction Documents - The Mandate Agreement*".

(d) ***Deed of Pledge***

Under the terms of the Deed of Pledge, the Issuer has granted to the Representative of the Noteholders (acting for itself and for the benefit of the Noteholders and the Other Issuer Creditors) a pledge over certain monetary rights to which the Issuer is entitled from time to time pursuant to certain Issuer Transaction Documents to which the Issuer is a party.

See for further details "*Description of the Issuer Transaction Documents - The Deed of Pledge*".

(e) ***Credit Support***

Junior Classes of Notes will be subordinated to more senior Classes of Notes, thereby ensuring that available funds are applied to the Most Senior Class of Notes in priority to more junior Classes of Notes.

(f) ***Liquidity Support***

Pursuant to the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to grant a facility to the Issuer in order to make good any shortfall on the payment of any interest due by the Issuer to the holders of the Most Senior Class of Notes (other than the Class E Notes and the Class X Notes). The Liquidity Facility will not be available to cover shortfalls in funds available to the Issuer to pay amounts in respect of:

(i) interest payable on the Notes other than the Most Senior Class of Notes;

(ii) principal;

(iii) Allocated Note Prepayment Fee Amount;

(iv) Note Premium Amount;

(v) any NAI Interest Amount or any Accrued NAI Shortfall Amount;

(vi) amounts payable on the Class X Notes or the Class E Notes; or

(vii) amounts payable to the Originator in respect of any additional consideration payable under the Loan Portfolio Sale Agreement.

Issuer Accounts

The Issuer Accounts will be maintained with the Issuer Account Bank for as long as the Issuer Account Bank is an Eligible Institution.

Issuer Collection Account: All the amounts received or recovered during the Collection Period shall be credited on the Issuer Collection Account established in the name of the Issuer with the Issuer Account Bank. Pursuant to the Master Servicing Agreement, the Master Servicer (acting through the Delegate Servicer) shall credit to the Issuer Collection Account, all the amounts received or recovered during each Collection Period.

Issuer Payments Account: All amounts payable on each Note Payment Date will, one Business Day prior to such Note Payment Date, be paid into the Issuer Payments Account established in the name of the Issuer with the Issuer Account Bank.

Issuer Expenses Account: The Issuer has established the Issuer Expenses Account with the Issuer Account Bank, into which the following amounts will be credited:

(a) on the Issue Date, an amount equal to the Initial Expenses; and

(b) thereafter, on each Note Payment Date, Interest Available Funds will be credited in accordance with the relevant Priority of Payments to bring the balance of such Issuer Expenses Account up to (but not in excess of) the Retention Amount.

"**Retention Amount**" means

(a) on the Note Payment Date falling in November 2014, €26,000;

(b) on the Note Payment Date falling in February 2015, €52,000;

(c) on the Note Payment Date falling in May 2015, €78,000; and

(d) thereafter, €104,000.

The Retention Amount may be used by the Issuer to pay on any date:

(a) annual fees (including VAT) payable to the Rating Agencies;

(b) annual fees payable to the auditor of the Issuer;

(c) annual fees payable in connection with the listing and admission to trading of the Notes listing authority / stock exchange fees;

(d) annual fees payable to Monte Titoli;

(e) annual fees payable to the Issuer Account Bank; and

(f) during any Note Interest Period any other expenses of the Representative of the Noteholders, the Calculation Agent and the Regulatory Servicer,

that may become due and payable.

"**Initial Expenses**" means the amount of expenses and costs connected with the establishment of the Securitisation.

Class X Account: The proceeds of the Class X Notes will be paid to the Class X Account on the Issue Date.

H **Administrative Fee**

The following table sets out the fees to be paid by the Issuer to the Other Issuer Creditors (as appropriate) (the "**Other Issuer Creditor Fees and Expenses**").

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Primary Servicing Fees	0 per cent.[1] (inclusive of VAT)	Ahead of all outstanding Notes	Borrower Facility Agent Fee payable quarterly in advance
Special Servicing Fees	0.15 per cent. per annum of outstanding principal balance of Loan (inclusive of VAT)	Ahead of all outstanding Notes	Payable for such period that a Loan is designated a Specially Serviced Loan
Liquidation Fee	0.50 per cent. of Liquidation Proceeds (inclusive of VAT)	Ahead of all outstanding Notes	Payable on each Note Payment Date that a Loan is a Specially Serviced Loan to the extent liquidation proceeds are received
Liquidity Commitment Fee	1.2 per cent. per annum of the undrawn and uncancelled Liquidity Commitment (exclusive of VAT, if any)	Ahead of all outstanding Notes	Payable on each Note Payment Date quarterly in arrear
Other fees and expenses of the Issuer	Estimated at €180,000 per annum (exclusive of VAT)	Ahead of all outstanding Notes	Various

[1] €39,000 (ex VAT) per annum. The Primary Servicing Fee equates to the agency fees (in aggregate) payable by the relevant Obligors to the Borrower Facility Agent for so long as the Delegate Primary Servicer and Borrower Facility Agent are the same entity.

RISK FACTORS AND SPECIAL CONSIDERATIONS

An investment in the Notes involves a high degree of risk. The following sets out certain aspects of the Issuer Transaction Documents, the Issuer, the Loan Portfolio, the Borrowers and the Properties within the Property Portfolio of which prospective Noteholders should be aware. Prospective investors should carefully consider the following risk factors and the other information contained in this Prospectus before making an investment decision.

The occurrence of any of the events described below could have a material adverse impact on the business, financial condition or results of operations of the Issuer and/or the Borrowers and could lead to, among other things:

(a) *an event of default under a Loan pursuant to a Loan Agreement (a "**Loan Event of Default**")*;

(b) *a Sequential Payment Trigger (as defined under "Transaction Overview Information – Credit Structure and Cashflow" above); or*

(c) *a Note Event of Default (as defined in Condition 12 (Note Events of Default) below).*

This section of the Prospectus is not intended to be exhaustive, and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus prior to making any investment decision. The risks described below are not the only ones faced by the Borrowers or the Issuer. Additional risks not presently known to the Issuer or the Borrowers or that they currently believe to be immaterial may also adversely affect their business. If any of the following risks occurs, the Issuer, the Borrowers or Properties within the Property Portfolio could be materially adversely affected. In any of such cases, the value of the Notes could decline, and the Issuer may not be able to pay all or part of the interest or principal on the Notes and investors may lose all or part of their investment. Prospective Noteholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in the Notes.

In addition, whilst the various structural elements described in this Prospectus are intended to lessen some of the risks discussed below for the Noteholders, there can be no assurance that these measures will be sufficient to ensure that the Noteholders of any Class receive payment of interest or repayment of principal from the Issuer on a timely basis or at all.

A Considerations relating to the Notes

Risks relating to the sufficiency of the assets of the Issuer

Payments in respect of the Notes are dependent on, and limited to, the receipt of Receivables under the Loan Portfolio, and, where necessary and applicable, the Liquidity Facility Agreement (with respect to the Most Senior Class of Notes only, and excluding the Class X Notes and the Class E Notes). In turn, recourse under a Loan is generally limited to the relevant Borrower, or Borrowers, and their assets, which consist of the relevant Property or Properties within the Property Portfolio and certain other assets, security over which has been created to secure the relevant Loan and whose business activities are limited to owning, developing, managing, financing and otherwise dealing with such assets.

The ability of the Borrowers to make payments on the Loans prior to the relevant Loan Maturity Date and, therefore, the ability of the Issuer to make payments on the Notes prior to the Final Maturity Date is dependent primarily on the sufficiency of the net operating income of the relevant Property or Properties within the Property Portfolio.

If, following the occurrence of a Loan Event of Default and following the exercise by the Master Servicer or the Delegate Servicer of all available rights and remedies arising under the relevant Loan, the relevant Loan Security and any other related Loan Documents (including any relevant insurance policies), the Issuer does not receive the full amount due from the relevant Borrower, then it will not be possible to pay some or all of the principal and interest due on the Notes.

Any losses on the Loans will be allocated to the holders of the Notes, as described under "*Subordination*" below.

The rate and timing of delinquencies or defaults on the Loans will affect the aggregate amount of distributions on the Notes, their yield to maturity, the rate of principal payments and their weighted average life. If anticipated yields are calculated based on assumed rates of default and losses that are lower than the default rate and losses actually experienced and such losses are allocable to the Notes, the actual yield to maturity will be lower than the assumed yield. Under certain extreme scenarios, such yield could be negative. In general, the earlier a loss borne by the Notes occurs, the greater the effect on the related yield to maturity.

Additionally, delinquencies and defaults on a Loan may significantly delay the receipt of payments on any Class of Notes, unless Liquidity Drawings are made to cover delinquent interest payments in respect of the relevant Class (other than the Class X Notes) or the credit support provided through the subordination of another Class of Notes fully offsets the effects of any such delinquency or default.

Risks relating to the sufficiency of the assets of the Issuer in respect of the first Note Interest Period

(i) Franc Loan Amortisation

Pursuant to the Franc Loan Agreement, the Franc Loan shall amortise in an amount equal to 0.25 per cent. of the outstanding principal amount of the Franc Loan as at the Franc Utilisation Date on each Loan Payment Date including the Loan Payment Date falling in August 2014.

This will mean that in respect of the Loan Interest Period commencing on (and including) the Loan Interest Period Date falling in August 2014 to (but excluding) the Loan Interest Period Date falling in November 2014 interest shall be payable on the Franc Loan in respect of the principal amount outstanding of the Franc Loan (as reduced by the 0.25 per cent. amortisation payment in respect of the Franc Loan which is payable on the Loan Payment Date falling in August 2014 (the "**Franc Loan Amortisation Amount**")) (such interest accruing on the Franc Loan during that Loan Interest Period being the "**Relevant Period Franc Loan Interest Accrual**").

The Relevant Period Franc Loan Interest Accrual will include interest accruing on the Franc Loan in respect of a principal amount equal to the outstanding principal amount of the Franc Loan at the Issue Date less the Franc Loan Amortisation Amount, whereas interest will accrue on the Notes for the same period in respect of the Principal Amount Outstanding of the Notes at the Issue Date which will not reflect the fact that the Franc Loan Amortisation Amount has been paid. Accordingly, there is a risk that there will be insufficient Interest Available Funds on the first Note Payment Date to make payment of interest on the Notes on the first Note Payment Date.

(ii) Basis rate risk

In respect of the first Note Interest Period, Note EURIBOR shall be set on the Note Interest Determination Date falling two TARGET Days prior to the Issue Date.

Loan EURIBOR in respect of the Vanguard Loan has been set on 27 May 2014 for the Loan Interest Period commencing on the date falling seven days following the Vanguard Utilisation Date to the Loan Interest Period Date falling in November 2014.

Loan EURIBOR in respect of the Franc Loan:

(a) has been set on 13 May 2014 for the Loan Interest Period commencing on 15 May 2014 to the Loan Payment Date falling in August 2014; and

(b) will be set on the date that is two TARGET Days prior to the first day of the Loan Interest Period commencing on (and including) the Loan Interest Period Date falling in August 2014 to (but excluding) the Loan Interest Period Date falling in November 2014.

The fact that Note EURIBOR is set on a different date to Loan EURIBOR, during the period falling prior to the Loan Interest Period Date falling in November 2014, may also cause a mismatch between the interest payable on the Loans and on the Notes in respect of the first Note Interest Period, creating a risk that there may be insufficient Interest Available Funds available to make payment of interest on the Notes on the first Note Payment Date.

(iii) Franc Loan Prepayment

In addition, the Franc Loan could be prepaid in full or in part on or prior to the Loan Payment Date falling in August 2014. The corresponding scheduled redemption of the Notes in accordance with Condition 8 would occur on the first Note Payment Date. Any such prepayment of the Franc Loan could create a mismatch between the outstanding principal amount of the Loans and the Principal Amount Outstanding of the Notes between 15 August 2014 and the First Note Payment Date, which would cause a mismatch between the interest payable on the Loans and the Notes in respect of the first Note Interest Period. This could result in the Issuer having insufficient Interest Available Funds to pay a portion of the interest due on the Notes on the first Note Payment Date.

In respect of the first Note Interest Period, to the extent that any Franc Prepayment Interest Shortfall occurs:

(a) the Class X1 Allocated Note Prepayment Fee Amount on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall; and

(b) if the Class X1 Allocated Note Prepayment Fee Amount is insufficient to cover any Franc Prepayment Interest Shortfall, any Allocated Note Prepayment Fee Amount payable to the Noteholders on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall applying first the Allocated Note Prepayment Fee Amount attributable to the Class E Note and then the other Classes of Notes on a reverse sequential basis to cover any Franc Prepayment Interest Shortfall.

Basis rate risk

Interest is payable on (a) the Franc Loan at a floating rate based on three-month Loan EURIBOR on each Loan Quotation Day and (b) the Vanguard Loans at a floating rate based on three-month Loan EURIBOR on each Loan Quotation Day (in either case "**Loan EURIBOR**"). Prior to the delivery of a Note Enforcement Notice, interest is payable on the Notes (other than the Class X Notes) at the floating rate of Note EURIBOR on each Note Interest Determination Date, capped at (i) 7 per cent. from and including the Note Payment Date immediately preceding the Franc Loan Maturity Date in respect of a portion of the Notes in an amount equal to the principal balance of the Franc Loan at the relevant Note Payment Date and (ii) 7 per cent. following the Vanguard Loan Maturity Date in respect of a portion of the Notes in an amount equal to the principal balance of the Vanguard Loans at the relevant Note Payment Date (subject to the payment of Note Premium Amounts on a subordinated basis in the relevant Priority of Payments (see "*Condition 7 – Interest*" below)).

Following the delivery of a Note Enforcement Notice, interest is payable on the Notes (other than the Class X Notes) at a floating rate which shall be determined by reference to the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Reuters display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement. As Loan EURIBOR is determined by reference to the Euro-Zone Inter-bank offered rate for 3 month Euro deposits notwithstanding whether a Note Enforcement Notice has been delivered Loan EURIBOR and the EURIBOR rate applicable to the Notes may in such circumstances differ.

In the circumstances described in the paragraphs above, the interest payments received under the Loans may be less than the interest payable on the Notes thus causing an Interest Shortfall to arise. If the Liquidity Facility is not available or insufficient to cover such shortfalls, this may mean that the Issuer has insufficient funds to pay interest on the Notes.

Forward looking statements

This Prospectus includes statements that are, or may be deemed to be, forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, but are not limited to, those described in this "*Risk Factors and Special Consideration*" section of this Prospectus. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in this Prospectus.

The forward-looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the market in which the Issuer and the Borrowers operate, may differ materially from those made in or suggested by the forward-looking statements set out in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and the Borrowers, and the development of the market in which the Issuer and the Borrowers operate, are consistent with the forward-looking statements set out in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Many factors could cause the Issuer or the Borrowers' actual results, performance or revenues to be materially different from any future results, performance or that may be expressed or implied by such forward-looking statements including, but not limited to the other risks described in this section.

Any forward-looking statements which are made in this Prospectus speak only as of the date of such statements. Neither the Issuer nor the Borrowers intend, and undertake no obligation, to revise or update the forward-looking statements included in this Prospectus to reflect any future events or circumstances.

Risks relating to the limited recourse obligations of the Issuer

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Loan Portfolio and its rights under the Issuer Transaction Documents to which it is a party. Consequently, there is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Note Enforcement Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Notes or to repay the Notes in full.

The Notes will be limited recourse obligations of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal, interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of a Note Enforcement Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's rights. In particular, the Notes will not be obligations or responsibilities of or guaranteed by any of the Originator, the Master Servicer, the Delegate Servicer, the Representative of the Noteholders, the Calculation Agent, the Issuer Account Bank, the Paying Agent, the Liquidity Facility Provider, the Corporate Servicer, the Listing Agent, the Sole Arranger, the Lead Manager or the Quotaholder. None of any such persons, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

Claims of unsecured creditors of the Issuer

By operation of Italian law, the rights, title and interests of the Issuer in and to the Loan Portfolio will be segregated from all other assets of the Issuer (including any other portfolio purchased by the Issuer pursuant to the Italian Securitisation Law) and any amounts deriving therefrom (including any moneys and deposits held by or on behalf of the Issuer with other depositories, to the extent identifiable) will be available both prior to and on a winding up of the Issuer only in or towards satisfaction, in accordance with the relevant Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Loan Portfolio incurred by the Issuer and will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law and the Issuer Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the Securitisation would have the right to claim in respect of the Loan Portfolio, even in a bankruptcy of the Issuer.

Prior to the commencement of winding up proceedings in respect of the Issuer, the Issuer will only be entitled to pay any amounts due and payable to any third parties who are not Other Issuer Creditors in accordance with the Priority of Payments. Following commencement of winding up proceedings in respect of the Issuer, a liquidator would control the assets of the Issuer including the Loan Portfolio, which would likely result in delays in any payments due to the Noteholders and no assurance can be given as to the length or costs of any such winding up proceedings.

Each Other Issuer Creditor has undertaken in the Intercreditor Agreement not to petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling two years after the date on which the Notes have been redeemed in full or cancelled in accordance with their terms and conditions.

Considerations relating to prepayments

The yield to maturity on the Notes will depend, to a large extent, upon the rate and timing of principal payments on the Loans. For this purpose, principal prepayments include both voluntary prepayments, if permitted, and involuntary prepayments, such as prepayments resulting from defaults and liquidations.

If any Class of Notes is purchased at a premium, and if payments and other collections of principal on the Loans occur at a rate faster than anticipated at the time of the purchase and/or break or prepayment fees are received by the Issuer and paid as principal on the Notes, then the weighted average period during which interest earned on the Noteholders' investments may shorten and the actual yield to maturity on that Class of Notes may be lower than assumed at the time of the purchase. If any Class of Notes is purchased at a discount, and if payments and other collections of principal on the Loans occur at a rate slower than anticipated at the time of the purchase, then the actual yield to maturity on that Class of Notes may be lower than assumed at the time of the purchase. The investment performance of any Note may vary materially and adversely from expectations due to the rate of payments and other collections of principal on the Loans being faster or slower than anticipated. Accordingly, the actual yield may not be equal to the yield anticipated at the time the Note was purchased, and the expected total return on investment may not be realised.

A high prepayment rate in respect of the Loans, and/or the prepayment of one Loan may result in a reduction in interest receipts in respect of the Loans and, more particularly, could reduce the weighted average coupon earned on the Loan Portfolio which may result in a shortfall in the monies available to be applied by the Issuer in making payments of interest on the Notes, and will result in a shortfall in certain prepayment scenarios. The prepayment risk will, in particular, be borne by the holders of the most junior Classes of Notes then outstanding.

Where the difference between (i) the Note Interest Payment Amount applicable to the Class B Notes and the Class B Adjusted Note Interest Payment Amount, (ii) the Note Interest Payment Amount applicable to the Class C Notes and the Class C Adjusted Note Interest Payment Amount, (iii) the Note Interest Payment Amount applicable to the Class D Notes and the Class D Adjusted Note Interest Payment Amount, or (iv) the Note Interest Payment Amount applicable to the Class E Notes and the Class E Adjusted Note Interest Payment Amount is attributable to a reduction in the interest-bearing balances of the Loans as a result of repayments and/or prepayments on the Loans, the interest due and payable in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (as applicable) shall be capped at the relevant Adjusted Note Interest Payment Amount, unless the relevant Class of Notes is the Most Senior Class of Notes then outstanding. Amounts of interest that would otherwise be represented by any such difference shall be extinguished on such Note Payment Date and the affected Class B Noteholders, Class C Noteholders, Class D Noteholders and Class E Noteholders will have no claim against the Issuer in respect thereof. An independent decision should be made by prospective Noteholders as to the appropriate prepayment assumptions to be used when deciding whether to purchase any Note.

Risks relating to expected and final maturity of the Notes

The Loans may not be fully repaid or refinanced by the Final Maturity Date of the Notes. After the relevant Loan Maturity Date, if a Loan Event of Default occurs, the relevant Loan Security may not be fully realised. This is most likely to arise in situations where prevailing market conditions are such that realisations in respect of a Property or Properties made on or before the Final Maturity Date of the Notes are likely to be lower than under current market conditions. In any case, this might result in a failure by the Issuer to repay the Notes on or prior to the Final Maturity Date. Failure to repay the Notes in full by the Final Maturity Date will result in a Note Event of Default entitling the Representative of the Noteholders to serve a Note Enforcement Notice and failure to repay the Notes in part or in full (as applicable) by the Note Payment Date immediately following a Loan Maturity Date is likely to result in the credit ratings of the Notes being downgraded or withdrawn by the Rating Agencies.

Subordination

Payments of interest and principal will be made to Noteholders in the priorities set forth in the relevant Priority of Payments. As a result of such priorities, any losses on a Loan will be borne first by the Class E Notes, second by the Class D Notes, third by the Class C Notes, fourth by the Class B Notes and fifth by the Class A Notes. As a result of this subordination structure and other risks, under certain circumstances investors in one or more Classes of Notes may not recover their initial investment.

Certain amounts payable by the Issuer to third parties such as the Master Servicer, the Delegate Servicer, the Paying Agent, the Issuer Account Bank, the Representative of the Noteholders and the Liquidity Facility Provider rank in priority to payments of principal and interest on the Notes, both before and after the occurrence of a Note Event of Default.

Absence of operating history of the Issuer; reliance on agents

The Issuer is a recently formed Italian special purpose limited liability company whose business will consist solely of the issuance of Notes and the entering into and performance of the Issuer Transaction Documents and related agreements and activities, as applicable. The Issuer has no operating history.

Certain of the business activities of the Issuer are to be carried out on behalf of the Issuer by agents appointed by the Issuer for such purpose. Neither the Issuer nor the Corporate Servicer will have any role in determining or verifying the data received from the Master Servicer, the Delegate Servicer, the Issuer Account Bank, the Agents, the Representative of the Noteholders and any calculations derived therefrom.

Rights of the Operating Advisor in relation to a Loan

The Operating Advisor, on behalf of the Controlling Class, will have the right to require the Issuer to replace the person then acting as the Special Servicer and to be consulted in relation to certain actions with respect to the servicing and enforcement of a Loan including, among other things, certain modifications, waivers and amendments of that Loan, the release of any security and the release of the Borrower's obligations under the relevant Loan Agreement. Neither the Master Servicer nor the Delegate Servicer will be permitted to act upon any direction given by the Operating Advisor, or to refrain from taking any action resulting from the consultation or approval rights of the Operating Advisor, if so acting or refraining from acting would cause it to violate the Servicing Standard. There can be no assurance that any advice provided by the Operating Advisor will ultimately maximise the recoveries on a Loan. For further details of the Operating Advisor's consultation rights, see "*Description of the Issuer Transaction Documents - Key Terms of the Servicing Arrangements*". The Operating Advisor may act solely in the interests of the Controlling Class; the Operating Advisor does not have any duties to any Noteholders other than the Controlling Class; the Operating Advisor may take actions that favour the interests of the Controlling Class over the interests of the other Noteholders; the Operating Advisor will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class; and the Operating Advisor will have no liability whatsoever for having acted solely in the interests of the Controlling Class, and no holder of any Class of Notes (other than the Controlling Class) may take any action whatsoever against the Operating Advisor for having so acted.

Appointment of Substitute Master Servicer or Substitute Delegate Servicer

The termination of the appointment of the Master Servicer or the Delegate Servicer under the Master Servicing Agreement or Delegate Servicing Agreement (as applicable) will only be effective once a substitute Master Servicer, or substitute Delegate Servicer as the case may be, has effectively been appointed (see "*Description of the Issuer Transaction Documents - Key Terms of the Servicing Arrangements*" below). There can be no assurance that a suitable substitute Master Servicer or substitute Delegate Servicer could be found who would be willing to service the Loans and the relevant security at a commercially reasonable fee, or at all, on the terms of the Master Servicing Agreement or Delegate Servicing Agreement (as applicable) (even though such agreement provides for the fees payable to a substitute Master Servicer or substitute Delegate Servicer to be consistent with those payable generally at that time for the provision of the relevant commercial mortgage administration services). In any event, the ability of such substitute Master Servicer or substitute Delegate Servicer to perform such services fully would depend on the information and records then available to it. The fees and expenses of a

substitute Master Servicer or substitute Delegate Servicer performing services in this way would be payable in priority to payment of interest under the Notes.

Delegation of primary and special servicing roles

Pursuant to the Delegate Servicing Agreement, the Master Servicer will delegate the roles of Primary Servicer and Special Servicer to CBRE Loan Servicing Limited as delegate Primary Servicer (the "**Delegate Primary Servicer**") and delegate Special Servicer (the "**Delegate Special Servicer**"). Pursuant to the Italian Securitisation Law, the Master Servicer is required to monitor the Securitisation. In its capacity as Regulatory Servicer, the Master Servicer may revoke the appointment of the Delegate Servicer as Delegate Primary Servicer or Delegate Special Servicer or may prevent the Delegate Servicer as Delegate Primary Servicer or Delegate Special Servicer from taking certain actions to the extent that the Master Servicer considers such acts would infringe the Italian Securitisation Law. Such action could be taken without the consent of Noteholders. See further "*Description of the Issuer Transaction Documents – Key Terms of the Servicing Arrangements*".

Conflicts between servicing entities and the Issuer

The Issuer has been advised by the Master Servicer and Delegate Servicer that each of them intends to continue to service existing and new loans for third parties and its own portfolio, including loans similar to the Loans, in the ordinary course of their respective businesses. These loans may be in the same markets or have common owners, obligors and/or property managers as the Loans and the Property Portfolio. Certain personnel of the Master Servicer or Delegate Servicer, as applicable, may, on behalf of the Master Servicer or Delegate Servicer, as applicable, perform services with respect to the Loans at the same time as they are performing services, on behalf of other persons or itself, with respect to other loans in the same markets as the Property Portfolio securing the Loans. In such a case, the interests of the Master Servicer or Delegate Servicer, as applicable, and its affiliates and their other clients may differ from and compete with the interests of the Issuer and such activities may adversely affect the amount and timing of collections on the Loans.

Although the potential for a conflict of interest exists in these circumstances, pursuant to the terms of the Master Servicing Agreement or Delegate Servicing Agreement, the Master Servicer or Delegate Servicer (as applicable) have agreed to act in accordance with the Servicing Standard which would require them to service such loans without regard to such affiliation.

Conflicts between Affiliates of the Sole Arranger, the Lead Manager and the Issuer

Conflicts of interest between Affiliates of the Sole Arranger and Lead Manager that engage in the acquisition, development, operation, financing and disposition of commercial property, on one hand, and the Issuer, on the other hand, may arise because such Affiliates will not be prohibited in any way from engaging in business activities similar to or competitive with those of a Borrower. Affiliates of the Sole Arranger and Lead Manager intend to continue to actively acquire, develop, operate, finance and dispose of property-related assets in the ordinary course of their businesses. During the course of their business activities, affiliates of the Sole Arranger and Lead Manager may provide liquidity facility and swap counterparty services or acquire, own or sell properties or finance loans secured by properties which are in the same markets as the Property Portfolio. In such a case, the interests of such Affiliates may differ from and compete with the interests of the Issuer, and decisions made with respect to such assets may adversely affect the amount and timing of distributions with respect to the Notes. In addition, the Sole Arranger and Lead Manager and their respective affiliates may have business, lending or other relationships with, or equity investments in, obligors under loans or tenants and conflicts of interest could arise between the interests of the Issuer and the interests of the Sole Arranger and Lead Manager and such affiliates arising from such business relationships.

Change of counterparties

The parties to the Issuer Transaction Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as the Issuer Account Bank) are required to satisfy certain criteria in order to remain a counterparty to the Issuer.

These criteria may include requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy

the applicable criteria, including the ratings criteria detailed above, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Issuer Transaction Document and the cost to the Issuer may therefore increase. This may reduce amounts available to the Issuer to make payments of interest on the Notes. Furthermore, it may not be possible to identify an entity with the requisite rating which will agree to act as a replacement entity at all.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Issuer Transaction Document may (but shall not be obliged to) agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders may not be required in relation to such amendments and/or waivers if any such change is in line with Rating Agency criteria and 20 per cent. of the Noteholders have not raised an objection within 30 days of notice of such amendment being served upon the Noteholders.

Ratings of Notes

The ratings assigned to the Notes (other than the Class X Notes which are not rated) by the Rating Agencies are based on the Loan Portfolio, the Issuer Transaction Security, the Property Portfolio and other relevant structural features of the transaction, including, among other things, the short-term and the long term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, the Issuer Account Bank, the Franc Borrower Cap Provider and the Vanguard Borrower Cap Provider, and reflect only the views of the Rating Agencies. A rating does not represent any assessment of the yield to maturity that a Noteholder may experience or the possibility that holders of the Notes may not recover their initial investments if unscheduled receipts of principal result from a prepayment, a default and acceleration or from the receipt of funds with respect to a compulsory purchase. The ratings assigned by Fitch address the likelihood of timely payment of interest of the Notes on each Note Payment Date and the ultimate repayment of principal on the Final Maturity Date. The ratings assigned by DBRS address the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations relating to the Notes in accordance with the terms under which the Notes have been issued. The ratings do not address the likelihood of payment of the Note Premium Amount or any Allocated Note Prepayment Fee Amount. There can be no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any or all of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. A downgrade, withdrawal or qualification of any of the ratings of the parties mentioned above may impact upon the ratings of the Notes. The maximum ratings achievable on the Notes are limited, inter alia, by the rating requirements for key counterparties such as the liquidity facility provider and the related requirements to obtain a replacement provider, guarantor or cash collateralisation following downgrade below relevant rating triggers.

Future events also, including but not limited to events affecting the Liquidity Facility Provider, the Issuer Account Bank or the Franc Borrower Cap Provider, the Vanguard Borrower Cap Provider and/or circumstances relating to the Property Portfolio and/or the property market generally, could have an adverse impact on the rating of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. Furthermore, there can be no assurance that the Rating Agencies will take the same view as each other, which may affect a Borrower's ability to adapt the structure of the transaction to changes in the market over the long term.

Credit rating agencies review their rating methodologies on an on-going basis and there is a risk that changes to such methodologies will adversely affect credit ratings of the Notes even where there has been no deterioration in respect of the criteria which were taken into account when such ratings were issued.

Rating Agencies' Confirmation

The ratings assigned by Fitch address the likelihood of timely receipt by any Noteholder of interest on the Notes and the likelihood of receipt by any Noteholder of principal on the Notes by the Final Maturity Date. The ratings assigned by DBRS address the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations relating to the Notes in accordance with the terms under which the Notes have been issued. The ratings do not address the likelihood of payment of the Note Premium Amount or

any Allocated Note Prepayment Fee Amount.

No assurance can be given that the Rating Agencies will provide any confirmation of the then current ratings if requested and there is no obligation on the Rating Agencies to do so. In addition, depending on the timing of the delivery of the request and any information needed to be provided, it may be the case that the Rating Agencies cannot provide a confirmation in the time available and, in either case, the Rating Agencies will not be responsible for the consequences thereof. However, if a confirmation is provided, it should be noted that a Rating Agency's decision to reconfirm a particular rating may be made on the basis of a variety of factors. In particular, the Noteholders should be aware that the Rating Agencies owe no duties whatsoever to any parties to the transaction (including the Noteholders) in providing any confirmation of ratings. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of a Borrower. In addition, it should be noted that any confirmation of ratings:

(a) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Notes;

(b) does not address whether any relevant event, matter or circumstance is permitted by the Issuer Transaction Documents and the Subscription Agreement; and

(c) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Noteholders or the Other Issuer Creditors.

No assurance can be given that any such reconfirmation will not be given in circumstances where the relevant proposed matter would materially adversely affect the interests of Noteholders of a particular class.

The Rating Agencies, in assigning credit ratings, do not comment upon the interests of the holders of securities (such as the Notes).

As part of the process of obtaining ratings for notes in respect of the Securitisation, the Sole Arranger had initial discussions with and submitted certain materials relating to one of the Loans to one additional internationally recognised rating agency other than the Rating Agencies. After submitting these materials to this additional rating agency the Sole Arranger did not proceed to appoint that Rating Agency to rate the Notes and has ultimately decided not to procure a public rating for the Notes in respect of the Securitisation from that rating agency. Had the Sole Arranger selected such additional rating agency to rate the Notes, no assurance can be given in relation to the ratings that such rating agency would have ultimately assigned to the Notes. It should be noted that credit rating agencies other than the Rating Agencies could seek to rate the Notes without having been requested to do so by the Issuer. If such unsolicited ratings are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Notes. Although unsolicited ratings may be issued by any statistical rating organisation, a statistical rating organisation might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback to the Issuer/Sole Arranger. Unless the context otherwise requires, any references to ratings or rating in this Prospectus are to ratings assigned by the specified Rating Agencies only.

Modifications to the Issuer Transaction Documents

The Rules of the Noteholders provide that if the Issuer is of the opinion (following discussions with the applicable Rating Agencies or otherwise) that any modification (other than a Basic Terms Modification or a Class X Entrenched Right) is required to be made to the Issuer Transaction Documents and/or the Conditions in order to comply with any criteria of the Rating Agencies which may be published after the Issue Date, it may make any such amendment (and all Noteholders will be deemed to have consented to the modifications) if Noteholders representing at least 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (apart from the Class X Notes) then outstanding have not contacted the Issuer in writing to reject the proposed amendments within 30 days from service of notice of the amendments.

The Representative of the Noteholders shall (except in limited circumstances), without seeking any further consent or sanction of any of the Noteholders or any Other Issuer Creditors and irrespective of whether such modifications are or may be materially prejudicial to the interests of the Noteholders of any Class or any other parties to any of the Issuer Transaction Documents, concur with the Issuer, in making

the proposed modifications to the Issuer Transaction Documents and/or the Conditions. There can be no assurance that such modifications would not increase the costs of the Issuer or reduce the returns to Noteholders.

Modifications and Waivers without Noteholder consent

The Conditions of the Notes provide that, without the consent of any of the Noteholders, the Representative of the Noteholders may agree:

(a) to any modification (except a Basic Terms Modification, or in respect of a Class X Entrenched Right) of the Conditions of the Notes or any of the Issuer Transaction Documents which, in the opinion of the Representative of the Noteholders, is not materially prejudicial to the interests of the holders of any Class of Notes (for so long as any of the Notes remains outstanding); or

(b) to any modification of the Notes or any of the Issuer Transaction Documents which, in the opinion of the Representative of the Noteholders, is:

(i) to correct a manifest error; or

(ii) to comply with mandatory provisions of law; or

(iii) of a formal, minor or technical nature.

The Representative of the Noteholders may also, without the consent or sanction of the Noteholders, and without prejudice to its rights in respect of any subsequent breach, condition, event or act, waive or authorise on such terms and subject to such conditions as it shall deem fit and proper, any breach or proposed breach by the Issuer or any other party thereto of any of the covenants or provisions contained in any Issuer Transaction Documents, or determine that any condition, event or act which constitutes a Note Event of Default shall not be treated as such. Such right is exercisable by the Representative of the Noteholders only if (and in so far) as in its opinion the interests of the Noteholders of each Class of Notes (for so long as any of the Notes remains outstanding) are not prejudiced.

There can be no assurance that each Noteholder concurs with any such modification or waiver by the Representative of the Noteholders.

Risks relating to the rights of Noteholders, Extraordinary Resolutions and Noteholder Meetings

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement of the security under the Notes is one of the duties of the Representative of the Noteholders. The Conditions and the Rules of the Organisation of the Noteholders limit the ability of each individual Noteholder to commence proceedings against the Issuer by conferring on the holders of the Notes the power to determine whether any Noteholder may commence any such individual actions.

The provisions of the Issuer Transaction Documents relating to the convening of meetings of Noteholders and the passing of Extraordinary Resolutions and Ordinary Resolutions differ from the equivalent provisions in the documentation for many comparable securitisations. In particular, notice periods for convening such meetings may be shorter and the majority required to pass Written Extraordinary Resolutions and Ordinary Resolutions may be lower than those applicable in other securitisation transactions (see "*Risks relating to Noteholder Meetings*" below).

The Issuer Transaction Documents provide for Extraordinary Resolutions and Ordinary Resolutions to be deemed to be passed by Negative Consent (see "*Risks relating to Negative Consent of Noteholders*" below).

Noteholders should be aware that unless they have made arrangements to promptly receive notices sent to Noteholders from any custodians or other intermediaries through which they hold their Notes and give the same their prompt attention, meetings may be convened and Extraordinary Resolutions or Ordinary Resolutions, may be considered and resolved or deemed to be passed without their involvement.

Prospective investors (and particularly those considering investing in more junior Classes of Notes) should, therefore, pay particular attention to the terms referred to above when considering whether or not to invest in the Notes as their rights may differ from those available to them under comparable

securitisations. The holders of the Class X Notes do not have voting or consent rights other than in respect of a Class X Entrenched Right (see further "*Exhibit to the Terms and Conditions of the Notes - Rules of the Organisation of the Noteholders*").

Rights available to Holders of Notes of different Classes

In performing its duties and exercising its powers as Representative of the Noteholders, the Representative of the Noteholders will have regard to the interests of all of the Noteholders as a Class. Where there is a conflict between the interests of the holders of one Class of Notes and the holders of another Class of Notes, the Representative of the Noteholders will only have regard to the interests of the holders of the Most Senior Class of Notes in respect of which the conflict arises, subject as provided in the Intercreditor Agreement and the Conditions.

Prospective investors in more junior Classes of Notes should, therefore, be aware that conflicts with more senior Classes of Notes will be resolved in favour of the latter Classes. In addition, save as set out in the Rules of Organisation of the Noteholders, the Class X Noteholders will not have the right to request or direct the Representative of the Noteholders to take any action or pass an Extraordinary Resolution or Ordinary Resolution at any time for so long as any of the other Notes is outstanding.

Risks relating to Noteholder Meetings

A meeting of the Noteholders may be held on 14 clear days' notice. The requisite quorum for a meeting to consider Ordinary Resolutions is two or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing at least 50 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes.

The quorum for considering an Extraordinary Resolution requires two or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes.

An adjourned meeting of the Noteholders may be held on 7 clear days' notice. The requisite quorum for such a meeting is (i) in respect of a Basic Terms Modification, an Extraordinary Resolution to approve the waiver of any Note Event of Default, an Extraordinary Resolution to approve the acceleration of the Notes or the enforcement of the Issuer Transaction Security, or a resolution relating to a Class X Entrenched Right, two or more persons holding Notes or representing Noteholders of that Class or those Classes, representing 50 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes, and (ii) in respect of any other matter, two or more persons holding Notes or representing Noteholders of that Class or those Classes, representing 25 per cent. of the Principal Amount Outstanding of the relevant Class of Notes.

As a result of these requirements, it is possible that a valid Noteholder meeting may be held without the attendance of Noteholders who may have wished to attend and/or vote.

Class X Entrenched Rights

Any modification of the Class X Interest Amount, the Relevant Margin or the Administrative Fees definitions or, a reduction in the interest rate on a Loan at any time prior to the relevant Loan Maturity Date (other than an automatic reduction to the interest rate to the maximum admissible interest rate permitted under the Italian Usury Law) will require the prior written consent of (i) prior to and including the Note Payment Date immediately following the Call Protection Period, all Class X Noteholders, and (ii) from and excluding the Note Payment Date following the expiry of the Call Protection Period, the Class X2 Noteholder.

There can be no assurance that the Class X Noteholders will consent to any such modification in a timely manner or at all. A Class X Noteholder may act solely in the interests of itself and does not have any duties to any other Noteholders. (See "Article 19.3 (*Class X Entrenched Rights*) -*Rules of Organisation of the Issuer*" below).

Risks relating to Negative Consent of Noteholders

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, a Class X Entrenched, the waiver of any Note Event of Default, the acceleration of the

Notes or the enforcement of the Issuer Transaction Security) or Ordinary Resolution may be passed by the Negative Consent of the relevant Noteholders i.e. without any Noteholders having voted in favour of such resolution as long as holders in respect of a sufficient principal amount of Notes (other than the Class X Notes) have not voted against such resolution.

An Extraordinary Resolution or an Ordinary Resolution, as applicable will be deemed to have been passed by a Class of Notes unless, within 30 days of the requisite notice being given by the Issuer, the Representative of the Noteholders, the Paying Agent, the Master Servicer or the Delegate Servicer to such Class of Noteholders (in accordance with the provisions of Condition 20 (*Notices*) and in all cases also through the systems of Bloomberg L.P., or in such other manner as may be approved in writing by the Representative of the Noteholders), (i) in the case of an Extraordinary Resolution, the holders of 25 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes of such Class or (ii) in the case of an Ordinary Resolution, the holders of 50 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes of such Class, inform the Representative of the Noteholders in the prescribed manner of their objection to such Extraordinary Resolution or Ordinary Resolution, as applicable. Therefore, it is possible that an Extraordinary Resolution could be deemed to be passed without the vote of any Noteholders or even if holders of up to 24.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes objected to it and it is possible that an Ordinary Resolution could be deemed to be passed without the vote of any Noteholders or even if holders of up to 49.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes objected to it.

Related Parties May Purchase Notes

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

Absence of secondary market; Limited liquidity

Application has been made to the Central Bank of Ireland, as competent authority under the Prospectus Directive as implemented in Ireland, for the Prospectus to be approved. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Main Securities Market. However, if granted, there can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. Lack of liquidity could result in a significant reduction in the market value of the Notes.

In addition, the market value of the Notes may fluctuate with changes in prevailing rates of interest and the performance of the Loans. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

The credit crisis and downturn in the real estate market have adversely affected the value of CMBS

The Property Portfolio consists exclusively of retail outlets and shopping centres in Italy which are let to tenants who occupy such properties. Accordingly, the Notes will be affected by market trends which affect commercial mortgage-backed securities ("**CMBS**") in general. Recent events in the real estate and securitisation markets, and in the debt markets and the economy generally, have caused significant dislocations, illiquidity and volatility in the markets for CMBS and securities backed by mortgages on commercial properties as well as in the wider global financial markets.

Declining real estate values since 2006/2007, coupled with diminished availability of leverage and/or refinancing for commercial real estate has resulted in increased delinquencies and defaults on commercial mortgage loans. In addition, the downturn in the general economy has affected the financial strength of many commercial real estate tenants and has resulted in increased rent delinquencies and increased vacancies. Any continued downturn may lead to increased vacancies, decreased rents or other declines in

income from, or the value of, commercial real estate, which would likely have an adverse effect on CMBS that are backed by mortgages on such commercial real estate. There can be no assurance that the dislocation in the CMBS market will not continue to occur or become more severe and even if the CMBS market does recover, Properties within the Property Portfolio may nevertheless decline in value. Notwithstanding the specific characteristics of the Property Portfolio, the market value of the Notes may be adversely affected by market perceptions of CMBS generally.

The ability of a Borrower to make payments when due on a Loan will depend on the rental value and occupancy rates of a Property or Properties within the Property Portfolio which are also subject to local economic factors. Any economic downturn may adversely affect the financial resources of a Borrower and may result in the inability of a Borrower to make principal and interest payments on, or refinance, a Loan when due. In the event of default by a Borrower under a Loan, the Issuer may suffer a partial or total loss with respect to that Loan. Materially increased levels of delinquency or loss on the related Property Portfolio would have an adverse effect on the payments of principal and interest received by holders of the Notes.

In addition to credit factors directly affecting CMBS, the continuing fallout from a downturn in the commercial mortgage-backed securities market and markets for other asset backed and structured products has also affected the CMBS market by contributing to a decline in the market value and liquidity of securitised investments such as CMBS. The deterioration of other structured products markets may continue to adversely affect the value of CMBS. Even if CMBS are performing as anticipated, the value of such CMBS in the secondary market may nevertheless decline as a result of deterioration in general market conditions or in the market for other asset backed or structured products.

Risks arising from the sovereign debt crisis

The Issuer is affected by disruptions and volatility in the global financial markets. During the period between 2011 and 2012, the debt crisis in the Euro-Zone intensified and three countries (Greece, Ireland and Portugal) requested the financial aid of the European Union and the International Monetary Fund. More recently, in 2013, aid was also requested by Cyprus. Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-Zone, including Italy, since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-Zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-Zone banks' funding.

In particular, the credit ratings assigned to the Notes are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of the Notes are downgraded.

The volatile economy and credit crisis may increase loan defaults and affect the value and liquidity of the Notes

The global economy recently experienced a significant recession and many economies continue to experience on-going volatility. Severe on-going disruption in the credit markets, including the general absence of investor demand for and purchases of CMBS and other asset-backed securities and structured financial products is still continuing. Conditions are volatile and economic growth may not be sustainable for any specific period of time. As described below under "*Considerations relating to the Property Portfolio – Risks relating to Tenants and Leases*" a material worsening in economic conditions in the locations in which Properties are situated could increase tenant defaults at the Properties within the Property Portfolio thereby adversely affecting the amounts received by the Issuer under a Loan and consequently the amounts paid to Noteholders.

The lack of credit liquidity, decreases in both the sale and rental value of commercial properties, lower occupancy rates and, in some instances, correspondingly higher lending rates have prevented many commercial mortgage borrowers from refinancing their loans. These circumstances have increased delinquency and default rates of securitised commercial mortgage loans, and may lead to widespread commercial mortgage defaults. In addition, the declines in real estate values have resulted in reduced borrower equity, hindering the ability of borrowers to refinance in an environment of increasingly restrictive lending standards and giving them less incentive to cure delinquencies and avoid enforcement.

Higher loan-to-value ratios are likely to result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realised had property values remained the same or continued to increase. Defaults, delinquencies and losses have further decreased property values, thereby resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of CMBS.

Many commercial mortgage lenders have tightened their loan underwriting standards which has reduced the availability of mortgage credit to prospective borrowers. These developments have contributed and may continue to contribute, to a weakening in the commercial real estate market as these adjustments have, among other things, inhibited refinancing and reduced the number of potential buyers of commercial real estate. The continued use or further adjustment of these loan underwriting standards may contribute to further increases in delinquencies and losses on commercial mortgage loans generally.

The global markets have seen an increase in volatility due to uncertainty surrounding the level and sustainability of sovereign debt of certain countries in the Euro-Zone, including Greece, Cyprus, Spain, France, Portugal, Ireland and Italy. There can be no assurance that this uncertainty will not lead to further disruption of the credit markets in Europe. In addition, recently-enacted (and future) financial reform legislation in Europe could adversely affect the availability of credit for commercial real estate.

Investors should consider that general conditions in the areas where the Properties are located may adversely affect the performance of a Loan and accordingly the performance of the Notes and the general availability of commercial real estate financing will directly affect the ability of a Borrower to repay a Loan on maturity. In addition, in connection with all the circumstances described above, investors should be aware in particular that:

(a) such circumstances may result in substantial delinquencies and defaults on a Loan and adversely affect the amount of liquidation proceeds arising from any sale, which the Issuer would realise in the event of enforcement and liquidation and which shall be net of costs and expenses of sale, if any, of a Loan, any direct or indirect interest in any Borrower or any part of the Property Portfolio (plus VAT, if applicable) (such proceeds, "**Liquidation Proceeds**"), and further, net of any liquidation fee which may be due and payable from such Liquidation Proceeds under the terms of the Master Servicing Agreement, as more fully described in the section "*Description of the Issuer Transaction Documents - Key Terms of the Servicing Arrangement - Master Servicing Agreement*". For the avoidance of doubt, any such sale shall include a sale made pursuant to any solvent liquidation process that results from a consensual arrangement between the Borrowers and the Master Servicer or, as applicable, the Delegate Servicer;

(b) the value of all or part of the Property Portfolio may decline and such declines may be substantial and occur in a relatively short period following the Issue Date, directly affecting the ability of a Borrower to realise value by selling a Property and its ability to obtain finance to refinance a Loan. Such declines may or may not occur for reasons largely unrelated to the circumstances of any particular Property;

(c) if a Noteholder decides to sell its Notes, it may be unable to do so or may be able to do so only at a substantial discount from the price originally paid; this may be the case for reasons unrelated to the then current performance of the Notes or a Loan and this may be the case within a relatively short period following the issuance of the Notes;

(d) if a Loan defaults, then the return on the Notes may be substantially reduced notwithstanding that Liquidation Proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the Notes. An earlier than anticipated repayment of principal (even in the absence of losses) in the event of a default in advance of the maturity date would tend to shorten the weighted average period during which interest is earned on Noteholder's investments and if any Class of Notes is purchased at a premium then in such case, the actual yield to maturity on that Class of Notes may be lower than assumed at the time of the purchase. A later than anticipated repayment of principal (even in the absence of losses) in the event of a default upon the maturity date would tend to delay the receipt of principal and the interest on the Notes may be insufficient to compensate Noteholders for that delay and if any Class of Notes is purchased at a discount then in such case the actual yield to maturity on that Class of Notes may be lower than assumed at the time of the purchase;

(e) even if Liquidation Proceeds received in respect of a Loan are sufficient to cover the principal and accrued interest on the same, the Issuer may experience losses in the form of special servicing fees and other expenses, and Noteholders may bear losses as a result of such additional fees and other expenses the Issuer has to bear, and their yield will be adversely affected by such losses;

(f) the time periods within which a Loan will be repaid following the occurrence of a default may take a considerable amount of time, and those periods may be further extended because of the insolvency of a Borrower and related litigation; and

(g) even if Noteholders intend to hold their Notes, depending on the circumstances of particular Noteholders, Noteholders may be required to report declines in the value of their holdings in the Notes, and/or record losses, on their financial statements or regulatory or supervisory reports, and/or repay or post additional collateral for any secured financing, hedging arrangements or other financial transactions that they have entered into that are backed by or make reference to the Notes, in each case as if the Notes were to be sold immediately.

Availability of Liquidity Facility

Pursuant to the terms of the Liquidity Facility Agreement, the Issuer will make and apply the drawings under the Liquidity Facility Agreement to meet any of the following shortfalls in the funds available to it as determined from time to time by the Calculation Agent: (a) an Expenses Shortfall; (b) an Interest Shortfall; or (c) a Property Protection Shortfall, each as more fully described in the section "*Description of the Issuer Transaction Documents - The Liquidity Facility Agreement*". The amount available to be drawn under the Liquidity Facility, on any Note Payment Date may be less than the Issuer would have received had full and timely payments been made in respect of all amounts owing to the Issuer during the related Collection Period. In addition, the Issuer is exposed to the risk of the Liquidity Facility Provider becoming insolvent. In such circumstances, insufficient funds may be available to the Issuer to pay in full interest due on the Notes.

The Liquidity Facility will only be available to fund shortfalls in respect of interest on the Most Senior Class of Notes (other than the Class E Notes and the Class X Notes).

The Liquidity Facility cannot be drawn to cover shortfalls in funds available to the Issuer to pay amounts in respect of interest on any Class of Notes other than the Most Senior Class of Notes, principal, Allocated Note Prepayment Fee Amount, Note Premium Amount, any NAI Interest Amount or any Accrued NAI Shortfall Amount or amounts payable on the Class X Notes, the Class E Notes or to the Originator in respect of any additional consideration payable under the Loan Portfolio Sale Agreement. Following the earliest to occur of (i) the Final Maturity Date, (ii) the redemption in full of the Notes (other than the Class E Notes and the Class X Notes), (iii) a Liquidity Facility Event of Default and (iv) a Liquidity LTV Breach, then no more Liquidity Drawings can be made. The amount available for drawdown under the Liquidity Facility as of the Issue Date is €16,450,000 and thereafter will decrease as the Principal Amount Outstanding of the Most Senior Class of Notes decreases subject to a floor of the Minimum Commitment, as set out under "*Description of the Issuer Transaction Documents - The Liquidity Facility Agreement*" below.

Negative EONIA Rate

The Issuer is exposed in certain circumstances to the risk that at any time the Euro OverNight Index Average rate will be less than zero. Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer Account Bank has agreed to pay to the Issuer interest on amounts standing to the credit of the Issuer Accounts at a rate equal to the greater of: (a) zero; and (b) the rate set by the Issuer Account Bank from time to time; **provided that** if at any time the Euro OverNight Index Average is less than zero (a "**Negative EONIA Rate**") the Issuer will be required to pay to the Issuer Account Bank additional margin for holding funds in the relevant Issuer Account as the Issuer Account Bank may notify the Issuer from time to time.

Risks relating to the Deferral of Interest on certain Classes of Notes

If, on any Note Payment Date prior to delivery of a Note Enforcement Notice, there are insufficient Interest Available Funds available to the Issuer to pay accrued interest on any Class of Notes, other than

accrued interest on the Most Senior Class of Notes then outstanding, such failure to pay interest will not constitute a Note Event of Default and the Issuer's liability to pay such accrued interest will be deferred until the earlier of (a) the next following Note Payment Date on which the Issuer has, in accordance with the relevant Priority of Payments, sufficient funds available to pay such deferred amounts and (b) the date on which the relevant Notes are due to be redeemed in full.

In addition, on each Note Payment Date following a Final Recovery Determination in respect of a Loan, payment of the NAI Interest Amount shall, to the extent that there are insufficient Interest Available Funds to pay such NAI Interest Amount in full on the Note Payment Date immediately following the relevant write-down of that Loan, be deferred until the earlier of (a) the next following Note Payment Date on which the Issuer has, in accordance with the relevant Priority of Payments, sufficient funds available to pay such deferred NAI Unpaid Amount and (b) the date on which the relevant Notes are due to be redeemed in full.

There is a risk that any deferred interest may not be paid to the relevant Noteholders on maturity of the Notes (please see "*Risks relating to sufficiency of assets of the Issuer*").

B **Considerations relating to the tax, regulatory and legal issues**

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 10 April, 2013, Luxembourg officially announced that it will no longer apply the withholding tax system as from 1 January, 2015 and will provide details of payments of interest (or similar income) as from this date in accordance with the Directive.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent would be obliged to pay additional amounts to the Noteholders or to otherwise compensate the Noteholders for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax.

On 24 March 2014, the European Council formally adopted a Council Directive amending the EU Savings Directive (the "**Amending Directive**") and broadening the scope of the requirements described above. Member States are required to implement national legislation giving effect to these changes by 1 January 2016. That domestic legislation must be applied from 1 January 2017. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest. Investors who are in any doubt as to their position should consult their professional advisers.

Italy has implemented the directive through Legislative Decree number 84 of 18 April 2005 ("**Decree 84/2005**"). Under Decree 84/2005, subject to a number of conditions being met, in the case of interest (including interest accrued on the Notes at the time of their disposal) paid since 1 July 2005 to individuals that qualify as beneficial owners of the interest and are resident for tax purposes in another Member State, the paying agent shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owners. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances the same reporting requirements must be complied with also in respect of interest

paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), entities whose profits are included in business income taxable under general arrangements for business taxation and, in certain circumstance, UCITS recognised in accordance with Directive 2009/65/EC.

Foreign Account Tax Compliance withholding may affect payments on the Notes

While the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once the Principal Paying Agent has paid the clearing systems and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Regulation affecting investors in securitisations

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset backed securities industry. This has resulted in a number of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Corporate Servicer, the Representative of the Noteholders, the Agents, the Issuer Account Bank, the Liquidity Facility Provider, the Sole Arranger, the Lead Manager, the Master Servicer or the Delegate Servicer makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

Investors should be aware of Articles 405-410 of the CRR and any implementing rules in relation to a relevant jurisdiction, which applies in general to newly-issued securitisations after 31 December 2010.

Article 405(1) of the CRR restricts EU regulated credit institutions from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an on-going basis, a net economic interest of not less than five per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405(1). Article 406 also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the securitisation notes it has acquired and the underlying exposures and that procedures are established for such due diligence activities to be conducted on an on-going basis. Similar requirements to those set out in Articles 404-410 of the CRR are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings (pursuant to the Solvency II Directive (2009/138/EC) and have been implemented for certain hedge fund managers (pursuant to the Alternative Investment Fund Managers Regulation (EU No 231/2013)) in the future.

Failure to comply with one or more of the requirements set out in Articles 404-410 will result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant investor.

Articles 404-410 of the CRR apply in respect of the Notes. Investors which are EU regulated credit institutions should therefore make themselves aware of the requirements of Articles 404-410 in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of Goldman Sachs International to retain a five per cent. material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party, relevant investors are required independently to assess and determine the sufficiency of the information described in this Prospectus, in any investor report and otherwise for the purposes of complying with Articles 404-410 and none of the Issuer, the Borrowers, the Corporate Servicer, the Originator Goldman Sachs International, the Representative of the Noteholders, the Agents, the Issuer Account Bank, the Sole Arranger, the Lead Manager, the Master Servicer or the Delegate Servicer makes any representation that the information described above is sufficient in all circumstances for such purposes.

Considerable uncertainty remains with respect to Articles 404-410 and it is not clear what will be required to demonstrate compliance to national regulators. Relevant investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory capital charges for non-compliance with Articles 404-410 should seek guidance from their regulator.

In addition, implementation of and/or changes to the Basel II framework ("**Basel II**") which is implemented into European law via CRD IV may affect the capital requirements for and/or the liquidity of the Notes.

The Basel II framework is an international accord which while it is not itself binding on participating states or institutions sets out benchmark regulatory capital rules for banks.

The Basel II framework has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are, or may become, subject to capital adequacy requirements that follow the framework.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**"), including new capital and a minimum leverage ratio for credit institutions. In particular, the changes include among other things, new requirements for the capital base held by credit institutions, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general, and the European Commission's corresponding proposals to implement the changes (through amendments to the Capital Requirements Directive known as "**CRD IV**") were published in July 2011 and came into force on 1 January 2014. The changes approved by the Basel Committee may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject

to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Investors should consult their own advisers as to the regulatory requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Volcker Rule

The issuing entity will not be registered under the Investment Company Act of 1940, as amended. The issuing entity will not be relying upon Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940, as amended, as a basis for not registering under the Investment Company Act of 1940, as amended.

Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act added a provision, commonly referred to as the "Volcker Rule," to federal banking laws to generally prohibit various covered banking entities from, among other things, engaging in proprietary trading in securities and derivatives, subject to certain exemptions. Section 619 became effective on July 21, 2012, and final regulations were issued on December 10, 2013. Conformance with the Volcker Rule's provisions is required by July 21, 2015, subject to the possibility of up to two one-year extensions granted by the Federal Reserve in its discretion. The Volcker Rule and those regulations restrict certain purchases or sales of securities generally and derivatives by banking entities if conducted on a proprietary trading basis. The Volcker Rule's provisions may adversely affect the ability of banking entities to purchase and sell the Notes.

Changes of law

The structure of the issue of the Notes and the ratings which are to be assigned to them are based on Italian law and various regulatory, accounting and administrative practices in effect as at the date of this Prospectus. Regard has also been had to the expected tax treatment of all relevant entities under the tax law and the published practice of the tax authorities of Italy as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to law, or the regulatory, accounting or administrative practice, or the interpretation or administration thereof, or the published practices of the Italian Tax Authorities or the tax authorities of any other relevant taxing jurisdiction, after the date of this Prospectus nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes. Any changes to the accounting practices of any person may have an effect on the tax treatment of that person.

Tax authorities might seek to assert a different interpretation of the finance structure than that taken by the Issuer in a manner that would result in additional tax costs, which would reduce the funds available to the Issuer to make payments under the Notes, thus, creating a risk of loss to the Noteholders.

The Issuer's ability to make (and Noteholders' entitlement to receive) payments on the Notes is therefore subject to the risk that tax law or the application of such law in any of the above specified jurisdictions may change.

C **Considerations relating to the Loans and the Loan Security**

Financial Assistance

Articles 2358 and 2474 of the Italian Civil Code prohibit "financial assistance", i.e. the giving of loans or security or the issuance of guarantees by a company for the purpose of acquiring or subscribing for that company's own shares. Article 2358 states: "*a company may not, directly or indirectly, grant loans nor guarantees/security for the purchase or subscription of its own shares, unless conditions set out under this article are met.*" Therefore, financial assistance is generally prohibited in Italy except where certain requirements are met.

The language and the scope of Article 2358 are broad. Over time, jurisprudence has evolved and taken a matter of fact approach as to whether a direct, or indirect, violation of the provisions prohibiting financial assistance provisions has occurred. While the utilisation of the Facility E Commitment of the Vanguard Loan by Vanguard Bidco and subsequent novation of the Facility E Commitment to Valdichiana should

not represent a direct violation of the financial assistance prohibition, the specific circumstances surrounding the Facility E Commitment may lead a court to conclude that the support given by Valdichiana in the context of the Vanguard Loan amounts to indirect financial assistance. In particular, a court may conclude that Valdichiana is indirectly assisting Vanguard Italian Bidco in its acquisition of the shares of Valdichiana.

Factors that may be taken into account by a Court in forming a view include the fact that the support given by Valdichiana is limited to its own borrowing under the Vanguard Loan. Prior to the upstream merger of Valdichiana into Vanguard Italian Bidco, its parent company and sole owner, (with Vanguard Italian Bidco as the surviving legal entity) in accordance with and in full compliance with Article 2501-bis of the Italian Civil Code (the "**Valdichiana Merger**"), Valdichiana will not grant a guarantee or security over its assets to guarantee or secure the obligations of other Vanguard Borrowers. Only following the Valdichiana Merger (which must comply with the requirements of Article 2501-bis of the Italian Civil Code, described below at "*The legal requirements of the Valdichiana Merger may not be met*"), will the assets of Valdichiana be secured in respect of the acquisition debt incurred by Vanguard Italian Bidco and the borrowings of other Vanguard Borrowers. In addition, prior to the Valdichiana Merger, no other Vanguard Borrower (other than Vanguard Italian Bidco) will issue guarantees or grant security with respect to the borrowings of Valdichiana. See "*The Loan Portfolio – The Vanguard Loan - Guarantee*" and "*The Loan Portfolio – The Vanguard Loan – Security Limitations*" for further details of the limitations on the security and guarantees provided by the Vanguard Obligors.

If a court were to deem that the security originally granted by Valdichiana constituted financial assistance to the extent that Valdichiana gave security to assist a third party (Vanguard Italian Bidco) in purchasing Valdichiana shares, certain guarantees that secure the Vanguard Loan would be deemed invalid, and would be unenforceable in the case of default by certain Vanguard Borrowers under the Vanguard Loan.

Corporate Benefit

Under Italian corporate law, adequate "corporate benefit" must exist for an Italian company to provide guarantees/security or other forms of credit support in favour of a third party. This includes when upstream or cross-stream guarantees or security are to be given. Generally, the corporate benefit rules require that any such guarantee/security must lead to an actual benefit, financial or otherwise, for the security provider, and specifically that "upstream" or "cross-stream" guarantees or security may not be given by an Italian company in respect of any financing granted to its parents or affiliates in the absence of a clear and commensurate benefit for it.

Corporate benefit is a question of fact and its existence needs to be assessed by the directors of the company as part of their fiduciary duties and against the specific act (the giving of a guarantee or a security) required from the company. A generic benefit to the corporate benefit of the group to which the company participates alone is insufficient. These rules prevent a company from entering into a transaction solely for the benefit of other companies (even if belonging to the same group) or of a third party.

The directors of a company would be liable to the shareholders and the company for having implemented an action or made a decision without there being an adequate corporate benefit for the company.

Due to the corporate benefit limitations that are described more generally in the paragraphs above, the ability of the Vanguard Propcos to provide security and cross guarantees are subject to certain specific limitations. These limitations are more particularly described below at "*The Loan Portfolio – The Vanguard Loan - Guarantee*" and "*The Loan Portfolio – The Vanguard Loan – Security Limitations*".

The legal requirements of the Valdichiana Merger may not be met

The Vanguard Loan Agreement provides that Vanguard Pledgeco, Vanguard Bidco, Vanguard Italian Bidco and Valdichiana shall use reasonable endeavours to procure that the Valdichiana Merger occurs on or before six months from the Vanguard Utilisation Date.

If the Valdichiana Merger occurs, it must be implemented pursuant to Article 2501-bis of the Italian Civil Code. Article 2501-bis governs mergers where one of the companies involved has contracted debts to acquire control of the other company involved in the merger, if the assets of the purchased company are then used as a general guarantee or source of repayment of the acquisition debt.

Article 2501-bis requires, in addition to other requirements applying to mergers in general, that the merger project (*progetto di fusione*) approved by the directors of all companies involved in the merger describes the financial resources that will be available to the company surviving the merger to satisfy in full its liabilities after the merger. The report issued by the directors to support the decision to merge must include the reasons that justify the transaction and must contain a post-merger economic and financial plan that describes the source of the financial resources and the financial targets of the company surviving the merger. In addition, an independent expert appointed by the Court must issue a report to confirm the reasonableness of the information contained in the merger report.

If these legal requirements are not met, the Valdichiana Merger may not be implemented. Failure to implement the Valdichiana Merger as envisaged will result in the following consequences in relation to the Vanguard Loan:

(a) Amounts outstanding in respect of the Vanguard Loan made under Vanguard Facility E, which are secured only by security granted by Valdichiana and Vanguard Italian Bidco, will continue to be secured exclusively by the security granted by Valdichiana and Vanguard Italian Bidco;

(b) Valdichiana will continue to provide security exclusively in connection with its obligations relating to the Vanguard Loan made under Vanguard Facility E, and no other facilities advanced under the Vanguard Loan Agreement; and

(c) Vanguard Italian Bidco, borrower of Vanguard Loan made under Vanguard Facility D, being a holding company without revenue generating operations of its own, will continue to be dependent on cash flow from Valdichiana, in the form of dividends or reserves (if available), to make payments in respect of the Vanguard Loan made under Vanguard Facility D.

See "*The Loan Portfolio – The Vanguard Loan - Guarantees"* and "*The Loan Portfolio – The Vanguard Loan – Security Limitations"* for further details of the limitations on the security and guarantees provided by the Vanguard Obligors.

Assuming that Valdichiana will generate cash flow sufficient to enable Vanguard Italian Bidco to make payments under the Vanguard Loan, that cash may be trapped within Valdichiana if Valdichiana cannot distribute dividends or available reserves. Italian corporate law requires a company to retain at least 5% of its annual profits in a legal reserve (*riserva legale*) until the reserve reaches at least 20% of the company's share capital.

Vanguard Loan – limited cross collateralisation

As highlighted in the "*Risk Factors and Special Considerations – Financial Assistance – Corporate Benefit – The legal requirements of the Valdichiana Merger may not be met*" above, there are limitations on the security and guarantees provided by the Vanguard Obligors due to corporate benefit considerations and financial assistance limitations.

See "*The Loan Portfolio – The Vanguard Loan - Guarantees*" and "*The Loan Portfolio – The Vanguard Loan – Security Limitations*" for further details of the limitations on the security and guarantees provided by the Vanguard Obligors."

Debt service relating to the Vanguard Loan borrowed by Vanguard Italian Bidco

Vanguard Italian Bidco has borrowed a Vanguard Loan for the purposes of acquiring Valdichiana but does not, prior to the completion of the Valdichiana Merger, benefit from any regular income streams with which it may service such debt. Prior to March 2015, Valdichiana may not distribute funds to Vanguard Italian Bidco by way of dividend. In order to enable Vanguard Italian Bidco to service its debt on the Loan Payment Date falling in November 2014 a deposit has been made into the Vanguard Italian Bidco Debt Service Reserve Account in an amount estimated to be equal to the interest and principal payable by Vanguard Italian Bidco in connection with its Vanguard Loan on that date. The Vanguard Loan Agreement also provides that if the Valdichiana Merger does not complete within 6 months of the Vanguard Utilisation Date the Vanguard Italian Bidco must ensure that an amount equal to the Vanguard Facility D February 2015 Debt Service Amount is deposited into the Vanguard Italian Bidco Debt Service Reserve Account. Such Vanguard Facility D February 2015 Debt Service Amount will be available under the Vanguard Loan Agreement to meet the interest and repayment obligations of Vanguard Italian Bidco on the Loan Payment Date falling in February 2015. After February 2015 the

ability of Vanguard Italian Bidco to service its debt will be dependent upon (i) amounts being distributed to it by Valdichiana or (ii) amounts being funded to it by its investors. If insufficient amounts are received by Vanguard Italian Bidco to service its debt obligations under the Vanguard Loan Agreement (i) it may mean that the Issuer has insufficient funds to pay interest on the Notes and (ii) this would cause a Vanguard Loan Event of Default.

Claw-back risks

Italian law includes avoidance provisions requiring the so-called "claw-back" that may give rise to the revocation of grants of security interests and payments made by the debtor prior to the declaration of bankruptcy, as summarised in "*Selected Aspects of Italian law–Insolvency Proceedings Bankruptcy* (*fallimento*)." In bankruptcy proceedings (*fallimento*), Italian bankruptcy law, as currently in force, provides for a claw-back period ranging from six months to two years, depending, *inter alia*, on the date on which the security is taken.

The mortgages forming a part of the Vanguard Security include both (i) first-ranking mortgages, to which a claw-back period of six-months would apply, and (ii) (in the event that such mortgages are granted following completion of the Valdichiana Merger) second-ranking mortgages, to which a longer claw-back period, of one year, would apply because these mortgages will be created after the assumption of the debt.

Direction and co-ordination of the companies by the Franc Bidco or Vanguard Bidco

The Franc Borrower is subject to the direction and co-ordination powers of Franc Bidco, and the Vanguard Propcos are subject to the direction and co-ordination powers of Vanguard Bidco. Under Article 2497 of the Italian Civil Code, if a company that is acting in its own interest, or in the interest of third parties, mismanages companies subject to its direction and co-ordination it shall be liable to the shareholders and creditors of such companies for the damages that ensue from such mismanagement, provided that liability is excluded if (i) the ensuing damage is fully eliminated through subsequent actions; or (ii) the damage is off-set by the global benefits deriving to the company from the continuing exercise of their direction and co-ordination powers.

Therefore, decisions affecting any of the Franc Borrower and the Vanguard Propcos may be made by the relevant controlling company not for the benefit of the Franc Borrower or relevant Vanguard Propco but rather for the global benefit of the controlling company's group as a whole. Additionally, any of the Franc Borrower and the Vanguard Propcos could implement policies and make decisions that are not beneficial for it under the direction and co-ordination powers of the respective controlling company.

Late payment or non-payment of rent

There is a risk that sufficient rental payments will not be received in respect of the Properties within the Property Portfolio on or before the relevant Loan Payment Date. If a significant number of tenants' rental payments are not received on or prior to the immediately following relevant Loan Payment Date and any resultant shortfall is not otherwise compensated for from other resources, there may be insufficient cash available to a Borrower to make payments to the Issuer under the relevant Loan. Such a default by the relevant Borrower may not itself result in a Note Event of Default since the Issuer will have access to other resources as mentioned above (specifically, funds made available under the Liquidity Facility). However, no assurance can be given that such resources will, in all cases and in all circumstances, be sufficient to cover any such shortfall and that a Note Event of Default will not occur as a result of the late payment of rent.

Prepayment of the Loan

A Borrower may be obliged, in certain circumstances, to prepay a Loan in whole or in part prior to the relevant Loan Maturity Date. These circumstances include change of control, a disposal of a Property or Properties within the Property Portfolio, the receipt of insurance proceeds in respect of certain insurance claims, the receipt of proceeds of a claim against a vendor of a Property in certain circumstances and where it would be unlawful for the lender to perform any of its obligations as contemplated by the relevant Loan Agreement or to fund, issue or maintain its share in a Loan, as more particularly set out in "*The Loan Portfolio*" below. These events may be beyond the control of the relevant Borrower and are beyond the control of the Issuer. Any such prepayment may result in the Notes being prepaid earlier than anticipated.

Compounding of Interest (*Anatocismo*)

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of recent judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/99 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso normativo*").

Consequently if a Borrower were to challenge this practice, it is possible that such interpretation of the Italian Civil Code would be upheld before other courts in the Republic of Italy and that the returns generated from the Loan may be prejudiced.

Italian Usury Law

Pursuant to Law No. 108 of 7 March 1996 (the "**Italian Usury Law**"), the interest rate on the Loan Agreement or the Notes is not permitted to exceed the maximum rate permitted under the Italian Usury Law from time to time. However, the parties to the Loan Agreements have agreed and accepted that if the rate of interest applicable to a Loan and/or the default rate of interest at any time exceeds the maximum rate permitted by the Italian Usury Law, then the relevant interest rate or default rate applicable to that Borrower shall be automatically reduced to the extent necessary to allow the interest rate applicable to such Loans to be in compliance with any applicable law.

If such a reduction occurs, this would reduce the amount of interest payable by a Borrower under a Loan Agreement and will reduce the amount of Interest Available Funds received by the Issuer. Such reduction may cause an Interest Shortfall on the Notes and to the extent there are insufficient amounts available to be drawn under the Liquidity Facility, this may result in a shortfall in amounts paid under the Notes. Any such shortfall may more materially adversely impact the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes due to the Class B Interest Cap, the Class C Interest Cap, the Class D Interest Cap and the Class E Interest Cap. The relevant interest cap shall not, however, be applied to a particular Class of Notes to the extent that such Class of Notes is the Most Senior Class of Notes then outstanding.

Refinancing risk

The Loans are expected to have substantial remaining principal balances as at its maturity date. However, the Loans will be subject to a certain amount of scheduled amortisation throughout the term. For further information in relation to Loan amortisation see "*The Loan Portfolio.*"

Unless previously repaid, the Loans will be required to be repaid by the relevant Borrowers in full on the relevant Loan Maturity Date. The ability of the Borrowers to repay the Loans in their entirety on the relevant Loan Maturity Date will depend, among other things, upon its having sufficient available cash or equity and/or upon its ability to find a lender willing to lend to the relevant Borrower or Borrowers (secured against the relevant part of the Property Portfolio) sufficient funds to enable repayment of the Loans. Such lenders will generally include banks and other financial institutions. The availability of funds in the credit market fluctuates and in recent years there has, at times, been an acute shortage of credit to refinance loans such as the Loans. In addition, the availability of assets similar to the Properties within the Property Portfolio, and competition for available credit, may have a significant adverse effect on the ability of potential purchasers to obtain financing for the acquisition of Properties within the Property Portfolio. There can be no assurance that the Borrowers will be able to refinance the Loans prior to the Final Maturity Date of the Notes.

If one or more of the Borrowers cannot refinance the Loans, they may be forced, in unfavourable market conditions, into selling some or all of the relevant part of the Property Portfolio in order to repay the relevant Loan. Failure by a Borrower to refinance the relevant Loan or to sell the relevant Properties within the Property Portfolio on or prior to the relevant Loan Maturity Date may result in the Borrowers defaulting on that Loan and in insolvency of the relevant Borrower(s). See also "*Risk Factors and Special*

Considerations – Considerations relating to the Property Portfolio". In the event of such a default or insolvency, the Noteholders, or the holders of certain Classes of Notes, may receive by way of principal repayment an amount less than the then Principal Amount Outstanding on their Notes and the Issuer may be unable to pay in full interest due on the Notes.

Risks relating to representations and warranties of the Borrowers under the Loan Agreements

Representations and warranties given by a Borrower under the relevant Loan Agreement are to some extent qualified by the actual knowledge of that Borrower giving such representation or warranty. While reliance on representations and warranties is only commercially possible to the extent that that Borrower is factually able to indemnify the recipient of such representations and warranties, so that a representation already in and as of itself only offers limited protection commercially, representations and warranties which are qualified by the actual knowledge further reduce the ability of a recipient to rely on the absence of the corresponding risks because the recipient would need to provide evidence of that Borrower's actual knowledge of the relevant risk represented which might be difficult if not impossible to demonstrate successfully in practice.

See further "*The Loan Portfolio – The Franc Loan-Representations and Warranties*" or "*The Loan Portfolio – The Vanguard Loan-Representations and Warranties*".

Collection and enforcement procedures

Under the Master Servicing Agreement and Delegate Servicing Agreement, the Master Servicer or Delegate Servicer (as applicable) is required to recover amounts due from the Borrowers under the Loans. The Master Servicer or Delegate Servicer must ensure that its default and enforcement procedures meet the requirements of the Master Servicing Agreement or Delegate Servicing Agreement, as applicable. See further "*Description of the Issuer Transaction Documents - Key Terms of the Servicing Arrangements*".

Limitation of recoverability of legal fees in enforcement

There can be no assurance that the Issuer will be able to recover legal fees incurred or advanced by it or by the Master Servicer or Delegate Servicer on its behalf, in connection with the enforcement of a Loan or the relevant Loan Security from the Borrowers, in particular, to the extent that such legal fees exceed the statutory limits provided by law. There can be no assurance that the legal fees relating to an enforcement of a Loan or the relevant Loan Security will fall within the limitation of what can be charged to a debtor under applicable law. Any amounts of legal fees in excess of such limitation could result in a shortfall in amounts that would otherwise be available to pay interest in respect of, and redeem principal on, the Notes.

Historical financial information

Historical financial information included in this Prospectus has not been audited and may not be indicative of future results of operations of the Borrowers. The data on the basis of which the sections of this Prospectus that relate to the Property Portfolios have been prepared, have been delivered by the Borrowers to the original lender and have not been reviewed.

Accordingly, the unaudited summary historical financial information is provided for illustrative purposes. There may be variations between the Borrowers' future operating results and the unaudited summary historical financial information and such variations may be material and be caused by various factors. Neither the Issuer nor the Borrowers intend, and undertake no obligation, to update the unaudited summary historical financial information to reflect future operating results.

D **Considerations relating to the Property Portfolio**

Risks relating to retail Properties

The value of retail properties within the Property Portfolio is significantly affected by the quality of the tenants as well as by more general commercial property factors, such as location and market demographics. In addition to location, competition from other retail spaces or the construction of new retail spaces, retail properties face competition from other forms of retailing outside a given property market (such as mail order and catalogue selling, discount shopping centres and selling through the

internet), which may reduce retailers' need for space at a given shopping centre. The continued growth of these alternative forms of retailing could adversely affect the demand for space and, therefore, the rents collectable from retail properties. Other key factors affecting the value of retail properties include the quality of management of the properties, the network effects of occupancy levels in attracting consumers, the attractiveness of the properties and the surrounding neighbourhood to tenants and their customers, the public perception of the safety in the neighbourhood, access to public transportation and major roads and the need to make major repairs or improvements to satisfy major tenants. Each of the foregoing circumstances and events may, individually or in the aggregate, adversely affect the income from and market value of the Property Portfolio and thereby increase the possibility that one or more of the Borrowers will be unable to meet their obligations under the relevant Loan Agreement.

Risks relating to permits and licenses

Each Property is required to have a commercial license to operate either as a shopping centre as a whole, or as an outlet mall (as applicable). In addition, a number of authorisations and permits such as certificates of fitness, building permits and fire prevention certificates, as well as authorisations to discharge waters, and other emissions into the air, which are generally issued from local authorities on the basis of national, regional and local laws are required. A few of these permits in relation to the Properties are currently being renewed and the application process is still pending; moreover a few permits are missing for certain Properties, or portions thereof, Although the relevant sellers of the properties in the Property Portfolio have given representations on matters relating to all permits and licenses, the indemnification available to the Franc Borrower and each Vanguard Propco in relation to these representations is subject to limitations (see below "*The indemnity arrangements are subject to limitations and restrictions*").

Furthermore, there can be no guarantee that all licenses and permits will be renewed upon expiry; if any of the licenses required to operate the Property Portfolio are not renewed, or are revoked by the administrative entity, the lack of any of the required licenses or permits may give rise to fines, sanctions or even an order to stop operations, which may adversely affect the ability of the relevant Borrower to meet its obligations under the relevant Loan Agreement.

The indemnity arrangements are subject to limitations and restrictions

The Franc Borrower and each Vanguard Propco benefit from certain indemnity arrangements in their respective acquisition agreements with the Franc Vendor, the La Scaglia Vendor and the Brindisi/Carpi/Valdichiana Vendor, as applicable (as described below at "*Acquisition, Ownership and Leases of the Property Portfolio*"). These indemnity arrangements, however, are subject to restrictions and limitations. For example, the relevant Borrower must exercise its rights within specific time limits or will lose the right to be indemnified. The arrangements are also subject to monetary caps and limitations regarding the minimum amount of a claim. In addition, the indemnity arrangements will protect and indemnify the applicable Borrower only to the extent that the relevant vendor performs their respective obligations arising from those agreements. If the Franc Vendor, the La Scaglia Vendor or the Brindisi/Carpi/Valdichiana Vendor (as applicable) become unwilling, unable, or otherwise fail, to perform their respective obligations or to comply with their undertakings and obligations in respect of the indemnities, the relevant Borrower will not to receive the expected benefits from the indemnity.

Risk relating to the loss of anchor stores in the shopping centres

The success of a shopping centre is dependent on, among other things, achieving the correct mix of stores so that an attractive range of retail outlets is available to potential customers. The presence or absence of an anchor store in a shopping centre can be particularly important in this, because anchor stores play a key role in generating customer traffic and making a centre desirable for other tenants. Typically a retail anchor store will be larger in size and generally attract customers to a retail property, either by being located at the relevant property or by otherwise attracting customers to it. If the current anchor tenant ceases to occupy retail space in the shopping centres and no suitable replacement anchor tenant is found, there is no guarantee that such replacement anchor tenant may be identified in timely manner, or that if identified, it will have the same appeal among customers as the former anchor store. Each of the foregoing circumstances and events may, individually or in the aggregate, adversely affect the income from and market value of the three shopping centres (the La Scaglia Property, the Brindisi Property and the Carpi Property) and thereby increase the possibility that the relevant Borrower will be unable to meet its obligations under the relevant Loan.

Obligations arising from Municipal Agreements

Most of the properties in the Property Portfolio were developed pursuant to agreements with the Municipality in which they are respectively located, and these agreements impose certain obligations on the owner of the properties. Although the relevant sellers of the properties in the Property Portfolio have given representations that no material obligations are outstanding under the municipal agreements, the indemnification available to the Franc Borrower and each Vanguard Propco in relation to these representations is subject to limitations (see above "*The indemnity arrangements are subject to limitations and restrictions*"). The Franc Borrower and each of the Vanguard Propcos are responsible for ensuring correct compliance with the terms of the municipal obligations and with any restrictions set out therein, and have the liability for performing any obligation that is still outstanding, or becomes due under the municipal agreements.

Environmental matters

In accordance with Italian law, the Borrowers may be responsible for environmental liabilities in relation to the Properties in certain circumstances, because Italian environmental legislation imposes liability for clean-up costs on the owner or occupier of land where the person who caused or knowingly permitted the pollution cannot be found. Even if more than one person may have been responsible for the contamination, each person covered by the relevant environmental law may be held responsible for all the clean-up costs incurred. Therefore, liability may ultimately rest with the relevant Borrower for the environmental matters discovered at any of the Properties, including those identified as a result of the Phase I environmental audits conducted in relation to the Properties. Although no "Critical Issues / Actions" were identified in the Phase I environmental audits, some actionable items were identified and to the extent recommended action is not taken this may present a risk.

In addition, third parties may sue the relevant Borrower for damages and costs resulting from substances emanating from that site, and the presence of substances in the Properties that could result in personal injury or similar claims by private claimants.

The costs associated with any clean-up or remediation to be performed in connection to environmental liabilities affecting one of the Properties could affect the cash flows available to the relevant Borrower to repay the Loan, which may affect the payment of interest or principal to Noteholders. If an environmental liability is found to affect one of the Properties and is not or cannot be remedied, then the Property's value or marketability could be adversely affected.

Potential risks arising from business lease agreements

As is customary in the Italian market, the vast majority of occupational tenants occupy the retail premises within the Properties under business lease agreements. Compared to regular leases, a business lease gives rise to two potential risks for the lessor.

A lessor under a business lease (such as a Borrower) may incur liabilities in connection with any employee hired by the lessee to work for the leased business where:

(a) the employment contract for the employee is not terminated by the lessee before the expiry of the business lease, or

(b) the employment contract for the employee is terminated by the lessee before the expiry of the business lease, but raises a claim for wrongful termination.

In both circumstances, once the business has been transferred back to the lessor any current or former employee of the business may potentially seek to be retained, or hired back in case of wrongful termination, by the leased business now returned to the lessor, thus generating liability for the lessor. Although the majority of the business leases for the commercial units within the Properties require the lessee to indemnify the lessor if the business is returned with any employees, the indemnity received by the lessor, if any, may not fully cover the lessor's liability arising from a claim.

Moreover, business leases generally provide for a payment structure that is different from that under a regular lease and are not governed by the mandatory provisions of Italian law that apply to leases. In certain circumstances, it may become more favourable or convenient for a business lessee to attempt to have a court re-categorise the business lease as a lease, so that the lessee may (i) benefit from the

statutory rights of lessees under lease agreements in accordance with Italian law, which are described below at "Statutory rights of lessees under a lease agreement" and (ii) be able lawfully to pay a lower rent, given that if the lease is re-categorised the rent due will generally be set as the minimum guaranteed payment under the business lease.

At the time of the origination of the Loans, the legal due diligence in relation to the Properties revealed that the Borrowers were involved in four separate disputes arising from business leases in relation to the Properties. Whilst the scope and value of these claims are within the ordinary course of business risk, there can be no assurance that in the future more litigation will not arise in connection with the business leases relating to the Properties.

Statutory rights of lessees under a lease agreement

Italian law grants certain rights to tenants under lease agreements for retail premises. Such rights include the following:

(a) the tenant's right to compensation for an early termination of a lease or a landlord's failure to renew a lease in an amount equal to 18 months' rent (or 36 months' rent in the event that within one year since termination of such tenant's lease, activities similar to those carried out by the tenant in the leased premises are performed therein); and

(b) the tenant's right to terminate a lease agreement at any time upon six months' written notice for serious cause (*gravi motivi*), including force majeure.

Recovery of leased premises within the Property Portfolios following default by a tenant under a lease or a business lease

Certain of the lessees in the Properties are occupying the premises they formerly leased beyond the term of their lease and without any new lease or are in default under their current lease or business lease. Legal proceedings to evict them may be started against lessees who are in breach of their obligation to pay rent or any other charges or otherwise holding over without a lease. The procedure for a lessor to enforce its remedies may take time, especially if the lessee opposes or challenges the order of the judge to vacate a property or if it raises objections to the amount awarded to the lessor. In such cases, an ordinary legal action (rather than a summary judgment) ensues. The eviction is likely to take approximately four years.

Geographic concentration

The Property Portfolio is located throughout Italy. Repayments under the Loans and the market value of the Properties could be adversely affected by conditions in the property market where the Properties are located, acts of nature, for example floods or earthquakes (each of which may result in uninsured losses), and other factors which are beyond the control of the Borrowers. In addition, the performance of the Property Portfolio will be dependent upon the strength of the economy in Italy and in the region in which the Properties are located.

Risks relating to property management

The properties in the Property Portfolio are currently managed and will be managed by various property managers and asset managers as described in "*Property and Asset Management Agreements*". The successful operation of a property depends upon the property and asset manager's performance and the technical and economical viability of the manager's capital preservation and improvement projects and leasing initiatives. The property manager is generally responsible for responding to changes in the local market; planning and implementing the rental structure; operating the property and providing building services; managing operating expenses; and assuring that maintenance and capital improvements are carried out in a timely fashion. The asset manager is responsible, in respect of the Property, for financial planning, preparing the budget, business plan, capital expenditure plan and financial and fiscal compliance generally. Given the number of Properties and the number of leases, the Property Portfolio requires intensive management, active marketing and leasing, and a good relationship with tenants in order to maintain and enhance income, minimise vacancy rates and also to ensure the Property Portfolio is kept in good order. The net cashflow realised from and/or the residual value of the Properties may be affected by the performance of each property and asset manager.

If a manager's appointment is terminated pursuant to the relevant management agreement, it may be difficult to replace that manager on the same or similar terms.

Limited due diligence

The legal and title due diligence exercise carried out with respect to the Property Portfolio was limited to the information made available by (i) Franc Bidco in the legal executive summary prepared by the legal advisors to the Franc Bidco, in connection with the acquisition of the corporate capital of the Franc Target, dated 17 July 2013, (ii) the Vanguard Targets in the legal due diligence report prepared by the legal advisors to the Vanguard Targets in connection with the acquisition of the corporate capital of each of the Vanguard Targets dated 8 April 2014, and (iii) the preliminary legal due diligence memorandum, and its update, prepared by the legal advisors to La Scaglia, in connection with the acquisition of La Scaglia, dated 10 December 2013 (collectively, the "**Legal Due Diligence Reports**").

The Legal Due Diligence Reports have been prepared as described above and relied upon by the Issuer. There is no guarantee that the Legal Due Diligence Reports disclose all relevant and/or material issues. Moreover the Legal Due Diligence Reports are up to date only as to their respective dates. The Legal Due Diligence Reports also refer to certain documents which have not been made available to the respective purchasers. In the Loan Agreements, the relevant Borrowers have respectively provided representations and warranties as to certain matters which have been described, verified and/or disclosed in the Legal Due Diligence Reports but also in relation to matters which were not described, verified and/or disclosed therein. As such, it is possible that matters which could not be verified by reference to the Legal Due Diligence Reports were represented to by one or more Borrowers subject to their knowledge of the related circumstances (having made due enquiry). If such matters were subsequently shown to have been incorrect, inaccurate or untrue, but were not known by the relevant Borrower or Borrowers at the relevant time having made due enquiry, it is possible that lender may have no remedies under the Loan Agreements for breach of representation.

The Issuer has commissioned an audit of the rent rolls for each of the Properties. As at the date of this Prospectus, the audit reveals certain discrepancies including in respect of the Brindisi Property amounting to €262,500 of rental income. The Issuer has been advised by the Brindisi Property Manager that the discrepancies between the scheduled rent and the rent rolls arise due to a number of lease amendments which have been made but have not been provided by the relevant Borrowers to the auditor due to a system migration. The Issuer understands that the Brindisi Property Manager expects the discrepancies to reduce to a non-material number following reconciliation of the lease amendments in August 2014 but there can be no guarantee that material discrepancies will not remain which may impact the rental income receivable by the Borrowers.

Insurance

Each Loan Agreement requires the relevant obligors to ensure that there is effected and maintained at all times, insurance in respect of the relevant Property and other fixtures and fixed plant and machinery forming part of the relevant Property against usual risks.

There can be no assurance that any loss incurred will be of a type covered by such insurance and will not exceed the limits of such insurance. The risks that the Loan Agreements require to be covered include, but are not limited to, loss or damage caused by certain specified events (including, inter alia, third party and public liability and act of terrorism risk) and such other risks as a prudent property company carrying on the same or substantially similar business as the relevant Borrower would effect. There is a possibility of losses with respect to one or more of the Properties for which insurance proceeds may not be adequate or which may result from risks which are not covered by insurance, the effect of which were not taken into account in preparing the cash flow analysis in respect of the Notes. As with all real estate, if reconstruction (due to earthquake, fire or other casualty) or any major repair or improvements is required to the property, changes in law and governmental regulations may be applicable and may materially affect the cost to effect such reconstruction, major repair or improvement. As a result of the occurrence of any of these events, the amounts realised with respect to the Properties, and consequently the amounts available to make payments on the Notes, could be substantially less than as set forth in the cash flow analysis.

Specifically in respect of each Property, earthquake insurance shall only be required to have a value in an amount not less than that indicated in a portfolio seismic risk assessment calculated for a 475 year event

Scenario Expected Limit ("**SEL**") (with an exposure period of 50 years and a 10% probability of being exceeded) for that Property (the probable maximum loss ("**PML**")), such risk assessment to be conducted by a third-party engineering firm qualified to perform such risk assessment using the most current RMS software or its equivalent and which includes consideration of loss amplification provided further that if such risk assessment concludes that the PML exceeds 20% of the reinstatement cost of that Property, earthquake insurance must have a value in an amount not less than 150% multiplied by the PML (expressed as a percentage) multiplied by the reinstatement cost of that Property.

Consequently, there is a possibility that in the event that one or more of the Properties is subject to earthquake related losses, the related insurance proceeds may not be adequate to repair or reinstate the Property in full. In addition, if reconstruction or any major repair or improvements are required to a Property due to earthquake damage, changes in law and governmental regulations may be applicable and may materially affect the cost to effect such reconstruction, major repair or improvement. As a result of the occurrence of any of these events, the amounts realised with respect to the Properties, and consequently the amounts available to make payments on the Notes, could be substantially less than anticipated.

Earthquake in the Emilia Romagna region

The Vanguard Reports provided as a condition precedent to the utilisation of the Vanguard Loans indicate that an earthquake occurred in the Emilia Romagna region in 2012 and that, as a consequence of such event, upgrade works are required to be carried out in order for properties in that area to comply with applicable laws and/or regulations. The Vanguard Borrowers have indicated that the Vanguard closing balance sheet which will be used to determine the final purchase price of Carpi will contain full provision for any amounts unspent or incurred but outstanding for payment in relation to any works performed or required to be performed at the Carpi Property in order to fully comply with all applicable laws and regulations in relation to protecting Carpi against earthquakes.

Pursuant to the Vanguard Loan Agreement, Carpi is required to comply in all respects with all laws and regulations relating to anti-seismic construction standards that apply to the Carpi Property.

Risks relating to the rent income

Each Borrower's ability to make its payments under the relevant Loan Agreements is dependent on payments being made by the lessees of sales premises within the Properties. No assurance can be given that lessees in the Properties will continue making payments under their leases or that any such lessee will not become insolvent or subject to insolvency proceedings in the future or, if any such lessees become subject to insolvency proceedings, that they will continue to make rental payments in a timely manner. In addition, a tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a failure to make rental payments when due. If a lessee, particularly a major lessee, defaults in its obligations under its lease or business lease, the lessor may experience delays in enforcing its rights as lessor and may incur substantial costs and experience significant delays associated with protecting its investment, including costs incurred in renovating and re-letting the Properties. In any of the above circumstances, the decrease in rental income may have an adverse effect on the relevant Borrower's ability to meet its debt service on its Loan and subsequently the Noteholders may not receive the timely repayment of interest and principal on the Notes.

Risks relating to the cashflow calculations

Cashflow figures in relation to the Property Portfolio contained in this Prospectus are based on historical information and should not be taken as an indication of any future cashflows with respect to the Property Portfolio. Each investor should make its own determination of the appropriate assumptions to be used in determining the cashflow to be generated in relation to the Property Portfolio.

The cashflow figures set forth in this Prospectus may vary substantially from corresponding cashflows determined in accordance with international accounting standards.

Valuations

Each Valuation was obtained around the time of the origination of the relevant Loan and there can be no assurance that the market value of the Properties will continue to equal or exceed such valuation. The Valuations and ongoing valuations of the Properties express the professional opinion of the relevant

valuers on the relevant Property and are no guarantees of present or future value in respect of such Property. One valuer may, in respect of any Property, reach a different conclusion than the conclusion that would be reached if a different valuer was appraising such Property. Moreover, valuations seek to establish the amount that a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the existing property owner. As the market value of the Properties fluctuates, there can be no assurance that the market value of the Properties will be equal to or greater than the unpaid principal and accrued interest and any other amounts due on the Notes. If the Properties are sold following a Loan Event of Default, there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Notes.

Pursuant to each Loan Agreement, the Borrower Facility Agent is permitted to instruct a valuer to prepare and issue a valuation (i) at any time after the first anniversary of the relevant Utilisation Date (ii) following a default under the relevant Loan Agreement or (iii) upon receipt of notice from a Borrower that a material part of a Property is compulsorily purchased or that a relevant agency or authority has served an order for the compulsory purchase of a material part of a Property (see "*The Loan Portfolio – The Valuations*").

E Considerations relating to Franc Borrower and the Vanguard Borrowers

Risks relating to the Borrowers' operating history

As described in "*The Borrowers*", the Franc Borrower was incorporated in 2006 and the Vanguard Propcos were respectively incorporated in 1991, 2004, 2007 and 2006, and each of these companies has been operating since its creation. Unlike newly-created companies, the Borrowers may have accrued liabilities and be subject to claims in the normal course of business during their operating history. Generally, material liabilities, if any, would arise from existing and former employment relationships, tax matters and environmental matters. Representations in relation to the affairs of each Borrower have been provided in the relevant Property sale and purchase agreement (see "*Acquisition, Ownership and Leases of the Property Portfolio*" for further information).

Effects of an insolvency of one or more of the Borrowers

The Franc Borrower and the Vanguard Propcos are all limited liability companies organized under Italian law and are subject to general Italian bankruptcy law principles, which are described in "*Selected aspects of Italian law – Insolvency proceedings*".

F Considerations relating to the Borrower Hedging Agreements

Interest Rate risk

In certain circumstances the Franc Borrower Cap Agreement or the Vanguard Borrower Cap Agreement may be terminated and the relevant Borrower may be unable to find a suitable replacement hedge counterparty. Should either Borrower Cap Agreement be terminated or should the Franc Borrower Cap Provider or Vanguard Borrower Cap Provider (as applicable) (each a "**Borrower Cap Provider**") otherwise fail to provide the relevant Borrower with all amounts owing to it on any payment date under the relevant Borrower Cap Agreement, then that Borrower may have insufficient funds available to it to make payments of interest due under the relevant Loan Agreement.

In the event of the insolvency of the relevant Borrower Cap Provider, the relevant Borrower will be treated as an unsecured creditor of such Borrower Cap Provider. To mitigate this risk, under the terms of each Borrower Cap Agreement, in the event that the relevant Borrower Cap Provider fails to meet the required rating set out in that Borrower Cap Agreement (a "**Downgrade Event**"), such Borrower Cap Provider will, in accordance with the terms of such Borrower Cap Agreement, be required to arrange for its obligations under such Borrower Cap Agreement to be transferred to an entity with the required rating. However, no assurance can be given that, at the time that such actions are required, another entity with the required rating will be available or willing to become a replacement swap provider. Failure by the relevant Borrower Cap Provider to take the measures described above following a Downgrade Event will constitute a termination event under the relevant Borrower Cap Agreement.

The Franc Borrower Cap Agreement will terminate on 20 September 2018. The Franc Loan Maturity Date is the Loan Payment Date falling in November 2018. Therefore EURIBOR rate fluctuation risk will be un-hedged in respect of the Notes in a principal amount equal to the outstanding principal amount of

the Franc Loan from 20 September 2018 to the Franc Loan Maturity Date, or until the Franc Loan is repaid in full.

The Vanguard Borrower Cap Agreement will terminate on the Vanguard Loan Maturity Date. If the Vanguard Loan is not repaid in full on the Vanguard Loan Maturity Date, EURIBOR rate fluctuation risk will be un-hedged in respect of the Notes in a principal amount equal to the outstanding principal amount of the Vanguard Loan.

To the extent that a Loan has not been repaid in full on its Loan Maturity Date, Note EURIBOR will be capped to the extent that EURIBOR exceeds 7 per cent. in respect of the Notes in a principal amount equal to the outstanding principal amount of that Loan. At such time Note EURIBOR may be less than EURIBOR and therefore any Note Premium Amount payable to a Class of Notes will be subordinated to capped payments of Note EURIBOR to all other Classes of Notes.

General: risks not exhaustive

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

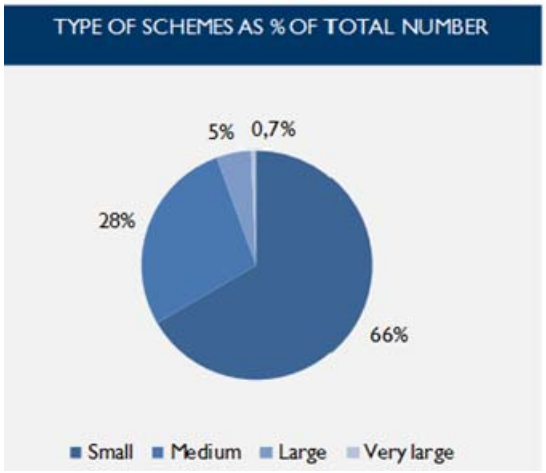
THE ITALIAN RETAIL REAL ESTATE MARKET

Current supply and new openings

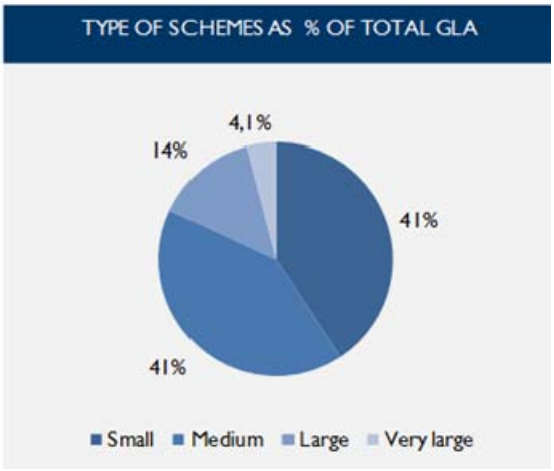
Italy now has more than 840 retail schemes, totalling some 15.4 million sq m GLA, with shopping centres representing nearly 90% both in terms of total GLA and number of schemes. These figures relate to schemes with a GLA above 5,000 sq m and include other modern retail formats, such as factory outlet centres, retail parks and leisure centres.

In terms of number of schemes, over 57% of these are located in northern Italy, while the remainder is divided between Centre (19%) and South (24%), with the latter gaining pace over the last 5 to 8 years. It should be also remarked that today the largest super-regional schemes can still be found in the Centre and in the South of the country.

The industry is still dominated by small and medium sized schemes (GLA up to 40,000 sq m), representing some 94% in terms of number, with smaller schemes (below 20,000 sq m) accounting for about 1/3. Larger schemes in excess of 40,000 sq m GLA only represent approximately 6% of the overall provision, corresponding to 18% of total floor space.



Source: Cushman&Wakefield



Source: Cushman&Wakefield

The North still lacks large scale shopping centres exceeding 100,000 sq m, with the largest shopping centre being Oriocenter in Bergamo (85,000 sq m). Otherwise, in the majority of modern shopping malls in Italy hypermarkets still represent the main anchor stores, although this pattern is changing and hypermarkets are becoming complementary to a far wider merchandising and leisure mix. In this regard, it should be noted that over the last two years some hypermarkets reduced their sales areas, also due to the drop in sales and by the increasing competition.

With regard to the average GLA per scheme, the Southern Italy average (20,200 sq m GLA) is higher than the national average (18,200 sq m), particularly in regions such as Sicily (25,100 sq m) and Campania (23,500 sq m), where large scale shopping centres are located.

Italy's modern retail density stands at 254 sq m of GLA per 1,000 inhabitants, almost in line with the European average (260 sq m per 1,000 inhabitants). Geographically, the North continues to retain the highest density (310 sq m per 1,000 inhabitants), with the North-Western section in the lead (324 sq m per 1,000 inhabitants).

Development activity in Italy has registered a decrease over the past years. The increasing difficulties met by developers in obtaining loans, together with the economic uncertainty and the crisis that is affecting the Italian economy have caused a significant slowdown in the construction process. Several openings have been postponed, while a number of developments have been put on hold, waiting for better economic and market conditions. This situation has resulted into a limited number of new openings. The most significant opening occurred in 2013 is Tiare Shopping, that is the new shopping centre of 90,000 sq m GLA promoted by Inter IKEA, which opened to the public in November 2013.

In the table below we list the main new openings that are expected over the next years.

Main new openings

SCHEME	LOCATION	GLA (SQM)	OPENING YEAR	DEVELOPER
Cuore Adriatico SC	Civitanova Marche (Macerata)	38,000	27/03/2014	Civitapark Srl
Nave De Vero SC	Marghera (Venice)	38,800	16/04/2014	Corio
Città Fiera (Extension)	Udine	40,000	2014	Corio/Bardelli
Arese SC	Arese (Milan)	55,000	2015	Finiper
Maximo SC	Rome	60,600	2015	Parsitalia Real Estate
Brescia Shopping SC	Brescia	86,000	2015	Inter IKEA
Adige City SC	Verona	50,000	2015	Aida Spa
Cascina Merlata SC	Milan	45,000	2016	Euromilano
Westfield Milan (phase 1)	Milan	170,000	2016	Percassi Group/Westfield
Pescaccio SC	Rome	177,000	2017	Parsitalia

Rental levels

The euro-area sovereign debt crisis has had a strong impact on the Italian market, with consumer confidence worsening nationwide, family spending cautious and weak consumption. This resulted into a sharp drop in sales, which remarkably affected the performances of the retail schemes and the trends of rental levels throughout the whole country. Nevertheless, it should be noted that trends registered in 2013 vary greatly depending on the quality of the schemes and on their catchment. Prime shopping centres with proven track records, good catchment areas and sustainable turnovers, have suffered from less pressure than secondary shopping centres, and have continued to show rental increases on new lettings, further supported by the limited offer of good quality schemes characterising the Italian market.

The situation is quite different for secondary poorly-performing schemes. Such schemes have felt more the general slowdown in consumer spending and their rental levels have been subject to a strong downward pressure, supported by an increase in rental concessions both for new leases and re-negotiations, with the most common form of discount being stepped-rents. In addition to this, the concession of early break options has also become a common practice.

The general trend reported in 2013 has characterised also the first quarter of 2014, with rent reviews applied both for existing shopping centres and pipeline schemes.

However, in general, in the first quarter of 2014 rental levels in established prime shopping centres have remained fairly stable at €850/sq m for units up to 250 sq m, and up to €1,300/sq m for the smaller units.

Investment focus

Despite ongoing political turmoil, the trend in underlying data is improved and sentiment indicators for consumers and businesses have brightened. The short term outlook is still relatively weak, with businesses cautions and high unemployment, declining real wages and fiscal austerity depressing household and corporate spending. Improving global confidence should however be a tonic for exports

and this may be the key driver for Italy to leave recession. A pick up in business investment is forecast for 2014 as improved conditions lead to further gains in confidence.

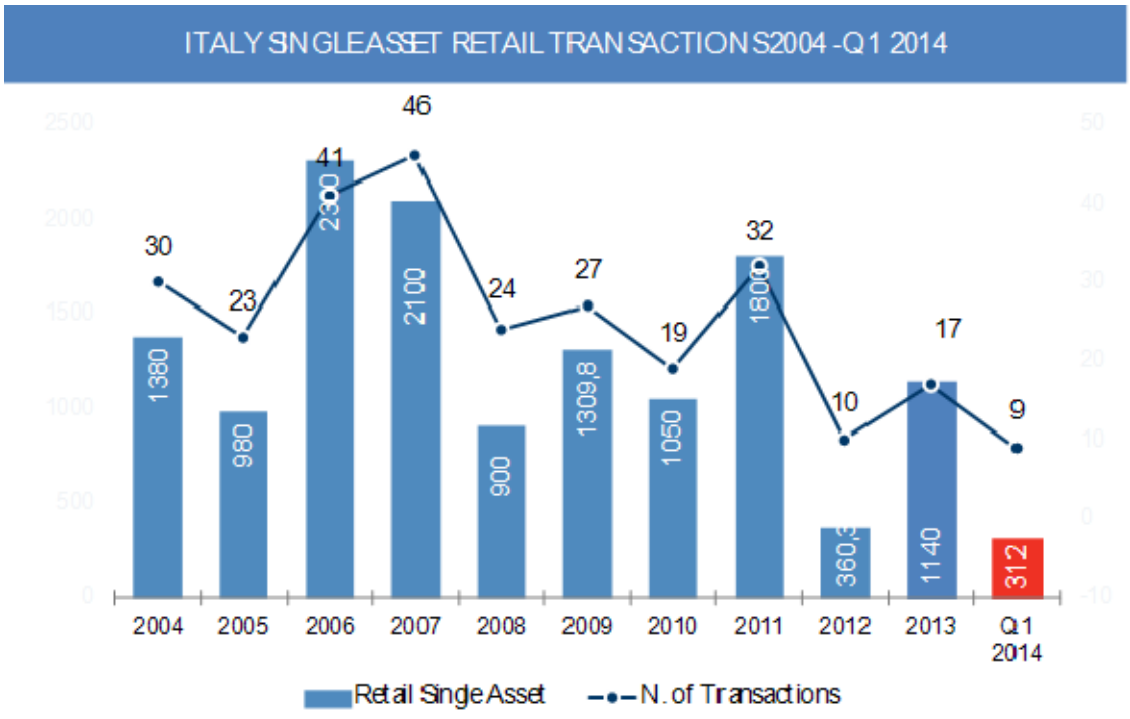
The Italian real estate investment market is at a turning point. After having been increasingly scarce and expensive, starting from the second half of 2013 finance has become more available. The pool of active and new investors is growing and a two tier market exists: (i) well located, trophy assets still attract core funds; (ii) good quality assets which have been repriced attract opportunistic players. Domestic players will remain focused on core assets (mainly office and high street investments) in established locations with good lease contracts in place. International investors will remain attracted by the larger lot size, value add / opportunistic assets which have been repriced.

In terms of investments, an upturn in volumes has been registered in retail investment transactions starting from the second half of 2013, after a challenging 2012 and first half of 2013, with no significant shopping centres transacted, lack of financing and perceived country risk. In the second half of 2013, in fact, the Italian real estate market has been marked by a shift in investor sentiment, with many international investors, who have been absent from the Italian retail arena since the beginning of the economic recession, turning their interest to the country and becoming active players.

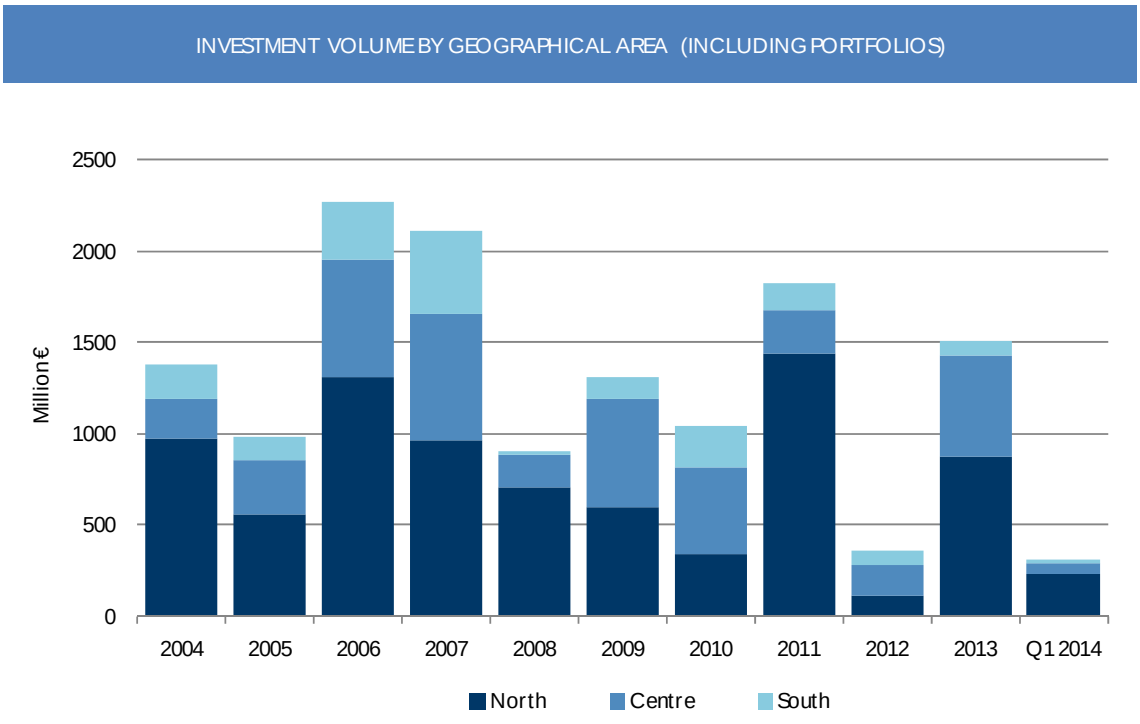
During the year retail investment volumes equal to circa €1.1 billion have been registered (excluding the Fondo Boccaccio shares transaction and the Auchan portfolio acquired by Morgan Stanley), against the €359 million recorded in 2012, corresponding to a +206% increase in volumes. Of the transacted amount, about €890 million are related to shopping centres, retail parks and FOCs. In this regard, the role played by opportunistic investors has been fundamental, though a few deals also suggest some investors' will of having a longer-term involvement in Italy.

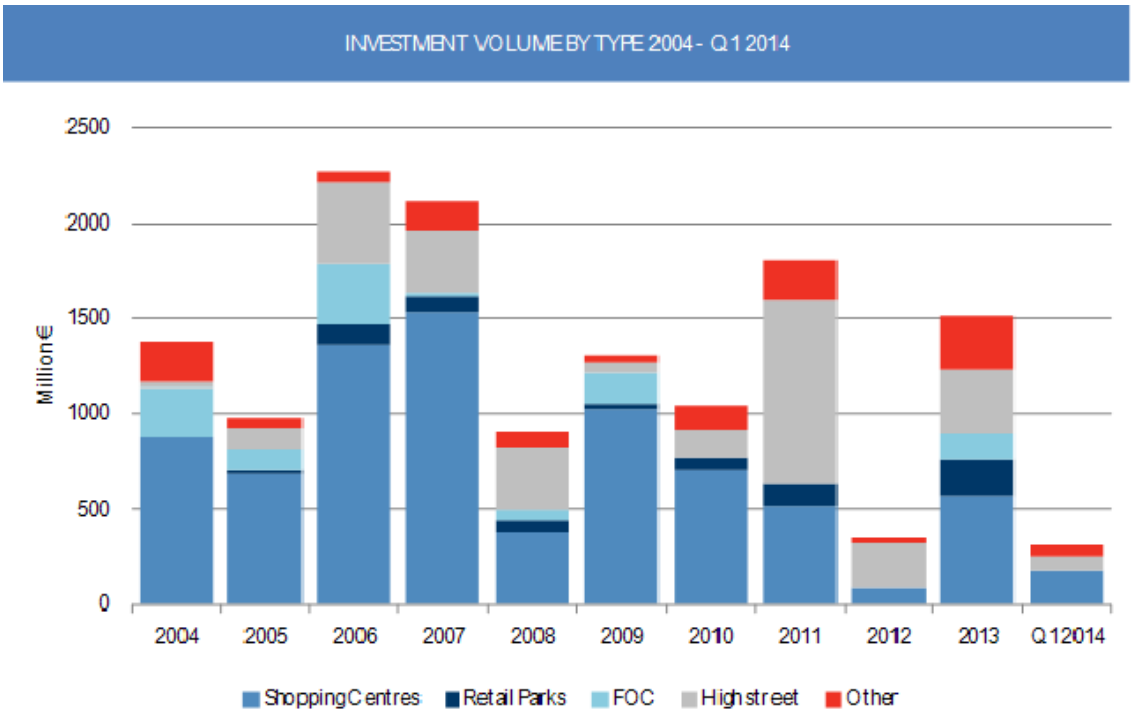
In 2013, nine deals concerned shopping centres and retail parks. The sale of Market Central Da Vinci Retail Park, Valecenter, Airone and Limbiate Shopping Centres (for a total volume of €415 million, better detailed in the table below) represents the first stage of increased activity.

With regard to the high street market, it has proved resilient, as demonstrated by several transactions occurred over the year, such as the acquisition of the Benetton Building located in Rome, Via del Corso, for €180 million. Prime high street locations remain the focus of private investors and owner occupiers.



Source: Cushman&Wakefield





Source: Cushman&Wakefield

The following table summarises the main retail transactions registered in 2013.

Main 2013 retail investment deals

SCHEME	LOCATION	BUYER	TOTAL GLA (SQM)	PRICE (€ MLN)	GROSS YIELD
H&M + Vodafone (High street)	Milan	Beni Stabili Gestioni SGR	1,900	67.6	n.a.

SCHEME	LOCATION	BUYER	TOTAL GLA (SQM)	PRICE (€ MLN)	GROSS YIELD
Ortona Centre SC (hypermarket only)	Ortona (Chieti)	Finiper	11,759	18.8	~7.32%
Mongolfiera SC (retail gallery only) (*)	Molfetta (Bari)	Blokker Holdings NV (Private)	38,000	68	n.a.
Auchan Bergamo (retail gallery only)	Bergamo	Foncière LFPI Italia	2,000	7,85	~7.90%
Virgin Active	Milan	Goldwinds Asset Management	5,800	15	n.a.
Metro Cash&Carry	La Spezia	Foncière LFPI Italia	4,616	8,18	~7.80%
Il Parco Shopping Centre	Camposampiero (Padua)	Lombardini Group	23,600	29	n.a.
Market Central Da Vinci RP	Fiumicino (Rome)	GWM Group	56,600	130	n.a.
Franciacorta FOC	Brescia	Blackstone	32,600	126	~10%
Via XX Settembre 35	Genova	Confidential	1,300	13	n.a.
Amex Building	Rome	Confidential	1,100	~40	n.a.
Via del Corso (Benetton Building)	Rome	H&M	6,000	180	n.a.
Via Montenapoleone 9	Milan	Swatch	n.a.	40	n.a.
Ipercity and Le Brentelle SC (part of SES Portfolio)	Padova	Allianz	47,100	n.a.	n.a.
Meraville RP	Bologna	Orion	35,500	80	n.a.
Carrefour	Palestrina (Rome)	Local buyer	2,300	2.3	~8.73%
Valecenter and Airone SC	Marcon (Venice) and Monselice (Padua)	Blackstone	60,000 (Valecenter) 16,000 (Airone)	144.5	n.a.
Carrefour di Limbiate SC (retail gallery only)	Limbiate (Monza e Brianza)	ING Insurance	21,000	140	~7.10% (**)

The above information was gathered from both official and informal sources.
(*) 50% stake
(**) Net

In addition to the deals indicated above, it must be underlined the acquisition, by a fund managed by Morgan Stanley SGR, of a portfolio comprising 13 shopping centre and 2 retail parks, for a total GLA of more than 200,000 sq m. The assets, sold by Gallerie Commerciali Italia (Auchan Group), have been bought for a total value of about €635 million. Morgan Stanley owns the majority stake in the fund owning the centres, while Immochan (the company controlled by Auchan) will maintain a minority stake in the fund and will provide property and leasing management services for the assets.

Positive signals, further hinting at Italy being on the way to recovery, have been registered also during the first quarter of 2014, with the following retail deals closed:

Main 2014 retail investment deals

SCHEME	LOCATION	BUYER	TOTAL GLA (SQM)	PRICE (€ MLN)	GROSS YIELD
Fonti del Corallo SC (*)	Livorno	BNP Reim SGR	7,300	47	~7.00%
Terminal Nord RP	Udine	Europa Risorse SGR	32,300	n.a.	n.a.
Carrefour Market (supermarket)	Via Monti (Milan)	n.a.	1,800	5,4	~6.08% (estimate)
Carrefour Market (hypermarket)	Viale Fulvio Testi – Cinisello (Milan)	n.a.	3,500	4,9	~6.94% (estimate)
Le Mura SC (retail gallery only)	Ferrara	Serenissima SGR	12,000	38	n.a.
Coin portfolio (3 assets)	Milan	Sorgente SGR	n.a.	77	n.a.
Vialarga SC (retail gallery only)	Bologna	Nordiconad Soc. Coop.	7,400	32,1	n.a.

(*) Master Lease

As a general trend, yields decreased steadily for several years up until 2007, when prime gross yields for prime shopping centres reached record-low levels, around 5.00%, reflecting the increasing interest for retail properties on the part of investors. When the global economic crisis hit, ignited by the credit crunch, yields started to rise again. A general stabilization has been registered in 2010 and 2011. A new increase in yields was registered starting from 2012, mainly reflecting the instability that has been affecting the Italian economic and political situation.

Low liquidity translated into a softening of prime yields in the retail warehouse and shopping centre sub-sectors. On an annual basis retail warehouse figures, in 2013, softened by 75-175 basis points, while shopping centres' yields grew by 75-100 basis points, with the sharpest of these upward corrections occurring across Southern Italy, where a further future softening is still possible. Following the 2013 increased investment activity, market sentiment would suggest yields are likely to remain stable in the first half of 2014. The renewed interest of international investors in the Italian property market, and the growing investment volumes, seem to suggest that Italy is slowly entering a new market phase.

Shopping centre net yields currently stand around 6.50% - 6.75% in Milan and Rome. Prime Retail Park net yields are in the region of 7.75% - 8.00%.

Factory outlet centres

Despite the cautious optimism within the outlet market in 2011, 2012 saw a marked cooling of demand from the new entrants, caused in part by the uncertainty surrounding the Eurozone crisis. 2013 commenced on a more positive note, with more entrants into the outlet market and smaller outlet players looking to expand on their portfolio with a noticeable uptick on transactions over the course of the year. However, generally those properties that have directly transacted are considered somewhat secondary and in some cases had been on the market for some time.

Those who already hold the prime assets in the European market, are reluctant to relinquish ownership as they still see further rental growth potential. Encouragingly though, the recent sale of Lakeside Village in Doncaster showed, that in the UK at least, the transaction time scale is becoming shorter, albeit where there is a depth of demand.

A number of transactions occurred at corporate and at an indirect level, suggesting appetite for the outlet product and recognition of its continued resilience at the prime end against falling national retail sales. Hammerson increased their stake in Value Retail by a further €78 million. Simon Properties also made their first venture into the European outlet market through an investment of €435 million in McArthurGlen, giving them joint ownership of 6 properties.

The abrupt stalling in the European investment market in Q1 2012 stopped any chance of the increased market participation compressing yields. Before this the market for investment in factory outlets had become quite established with a number changing hands in recent years after attracting international institutional investors, with established centres commanding net initial yields of circa 7%.

We consider the best European centres would trade at circa 6.5% but the majority would sell for 7%+. Despite the presence of international investors, the outlet market has become more polarised. As a result of the Eurozone crisis and in the main, the perception of Southern European countries, yield profiles began to diverge, stabilising in Q1 2013.

Many transactions have not been straightforward being structured on a corporate basis and/or having provision for top-up payments based on achieving trading thresholds or with new units being developed. It is not uncommon for the original developer/operator to be retained in their management capacity, perhaps retaining an equity interest in the centre.

Estimated yields for prime FOCS in Europe

	NET YIELDS
France	6.75-7.00%
Germany	6.50-7.00%
Italy	7.00-7.50%
Spain	7.00-7.50%
Poland	7.00-7.50%
Portugal	7.50-8.00%
UK	6.00-6.75%

Between 2008-2011 there were a number of key European assets that transacted, including Castelguelfo in Italy, whose phase 1 was bought in 2008 by Neinver at a gross yield of 6.60%.

There are a number of assets throughout Europe which have been actively marketed or have been available to buy over the last 24 months, including Phase III of the Premier Outlet in Budapest (Hungary), the re-launch of Palmanova Outlet Village, near Verona (Italy) and the more recent launch of Festival Park in Ebbw Vale (Wales). None of the assets available constitute prime stock and noting the complexities of the outlet market, some off market transactions are slow to progress. Nevertheless, some of the assets have specific asset management potential that may attract more interest as market sentiment improves

It appears that the market is maturing, both from an operational perspective with innovative asset management and also brands developing their experience in outlet centre retailing. A combination of both is enhancing its acceptance as an asset class.

However, given the difficulty in obtaining retail outlet centre consents, and the realisation that outlet centres have a real place in the hierarchy, performing well in good times and bad, we anticipate good investor demand from institutional investors and property companies based throughout Europe.

THE PROPERTY PORTFOLIO

The Italian property portfolio (the "**Property Portfolio**") comprises collateral from the two underlying loans – the Franc Loan and the Vanguard Loan. The Vanguard Properties comprise 3 shopping centres (the Brindisi Property, the La Scaglia Property and the Carpi Property) and an outlet village (the Valdichiana Property). The sole Franc Property is one outlet village.

The Franc Property, located in Brescia, Italy, comprises 152 units and 32,657 sqm of lettable area. As of 25 March 2014, it is 98.4% occupied and provides a base rent of c.€11.8m. The Vanguard Properties comprise 3 shopping centres and 1 outlet village, with 251 units and 69,539 sqm of lettable area. As of 31 March 2014, the Vanguard Properties were 93.8% occupied and provide c.€17.1m of base rent.

A Information Sources

Franc: property information for the Franc Property is provided by the borrower and is as of 25 March 2014. Please refer to footnotes for exceptions.

Vanguard: property information for Vanguard Properties is provided by the borrower and is as of 31 March 2014. Please refer to footnotes for exceptions.

"**GLA**" means gross leasable area.

Key Statistics	Franc	Vanguard
No. of Shopping Centres	0	3
No. of Outlet Villages	1	1
No. of Retail Units	152	251
Total GLA (sqm)	32,657	69,539
Base Rent[1] (€m, annualised)	11,814,494	17,064,649
Occupancy rate[1]	98.4%	93.8%
WALT[2] (Break)	3.15	3.31
WALT[2] (Expiry)	4.35	4.40

Number of Leases	Business	Property	Total
Valdichiana Property	112	2	114
La Scaglia Property	24	2	26
Brindisi Property	55	1	56
Carpi Property	20	6	26
Franc Property	140	5	145

Source: Borrower information

[1] As of 25 March 2014 for Franc Property, and as of 31 March 2014 for Vanguard Properties.

[2] WALT is calculated as of 21-July-2014.

Property Summary: Franc Property

Ref.		Loan	GLA (sqm)	Opening Year	Units	Occupancy[1] 2011 (% of GLA)	Occupancy[1] 2012 (% of GLA)	Occupancy[1] 2013 (% of GLA)	Occupancy[1] 2014 (% of GLA)	Base Rent[2] 2011 (€m)	Base Rent[2] 2012 (€m)	Base Rent[2] 2013 (€m)	Base Rent[2] 2014 (€m)	NOI[3] 2013 (€m)	Turnover 2011 (€m)	Turnover 2012 (€m)	Turnover 2013 (€m)	Market Value[4] (€m)	Foot-fall[5] (m)	Sales Ratio[6]	Effort Ratio[7]
1	Franc Property	Franc	32,657	2003/06	152	98.2	98.3	97.5	98.4	11.2	11.9	11.7	11.8	11.3	108.7	105.6	107.8	133.1	4.7	10.6%	14.7%

Property Summary: Vanguard Properties

Ref		Loan	GLA (sqm)	Opening Year	Units[8]	Occupancy[1] 2011 (% of GLA)	Occupancy[1] 2012 (% of GLA)	Occupancy[1] 2013 (% of GLA)	Occupancy[1] 2014 (% of GLA)	Base Rent[2] 2011 (€m)	Base Rent[2] 2012 (€m)	Base Rent[2] 2013 (€m)	Base Rent[2] 2014 (€m)	NOI[3] 2013 (€m)	Turnover 2011 (€m)	Turnover 2012 (€m)	Turnover 2013 (€m)	Market Value[4] (€m)	Foot-fall[5] (m)	Sales Ratio[6]	Effort Ratio[7]
1	Valdichiana Property	Vanguard	30,797	2005/07/08	133	96.3	97.2	93.7	90.4	10.1	10.3	10.3	9.9	9.0	86.8	84.1	81.2	106.6	4.1	11.8%	16.4%
2	Brindisi Property	Vanguard	12,100	2007	58	98.7	99.2	99.0	96.7	3.1	2.8	3.1	3.0	2.4	30.3	33.5	34.9	34.9	4.9	8.6%	9.8%
3	La Scaglia Property	Vanguard	15,816	1997	33	100.0	87.9	94.9	94.4	2.4	2.2	2.0	1.9	0.8[9]	48.8	45.7	45.9	18.2	2.1	4.3%	5.6%
4	Carpi Property	Vanguard	10,828	2005	27	99.2	96.8	99.3	99.3	2.1	2.1	2.2	2.2	2.0	26.0	24.7	23.4	27.2	2.6	9.5%	11.7%
	Total Vanguard		**69,539**		**251**	**98.0**	**95.4**	**95.8**	**93.8**	**17.8**	**17.4**	**17.6**	**17.1**	**14.2**	**191.8**	**187.9**	**185.3**	**186.9**	**13.7**	**9.0%**	**11.8%**

[1] 2013 occupancy rate for Franc is as of 17 July 2013. 2014 occupancy rates are as of 25 March 2014 for Franc, and as of 31 March 2014 for Vanguard Properties.

[2] Contractual rent excluding turnover rents. 2014 base rent is as of 25 March 2014 for Franc Property, and as of 31 March 2014 for Vanguard Properties.

[3] Source for NOI figures: PwC due diligence reports, borrower information. NOI for Vanguard Properties is as of December 2013, NOI for Franc property is as of September 2013, and calculated based on net rental income minus bad debt allowance, letting fees, legal fees, and rental collection fees.

[4] Net of acquisition costs at 1.0% and transfer tax at 4%.

[5] Footfall for full year 2013. Footfall is based on information recorded by people counting systems installed at main accesses of the properties.

[6] Sales Ratio for Franciacorta is based on property data backing the Cushman & Wakefield Valuation Report as of 17 July 2013; Sales Ratio for the other properties is based on property data backing the Cushman & Wakefield Valuation reports as of 31 March 2014.

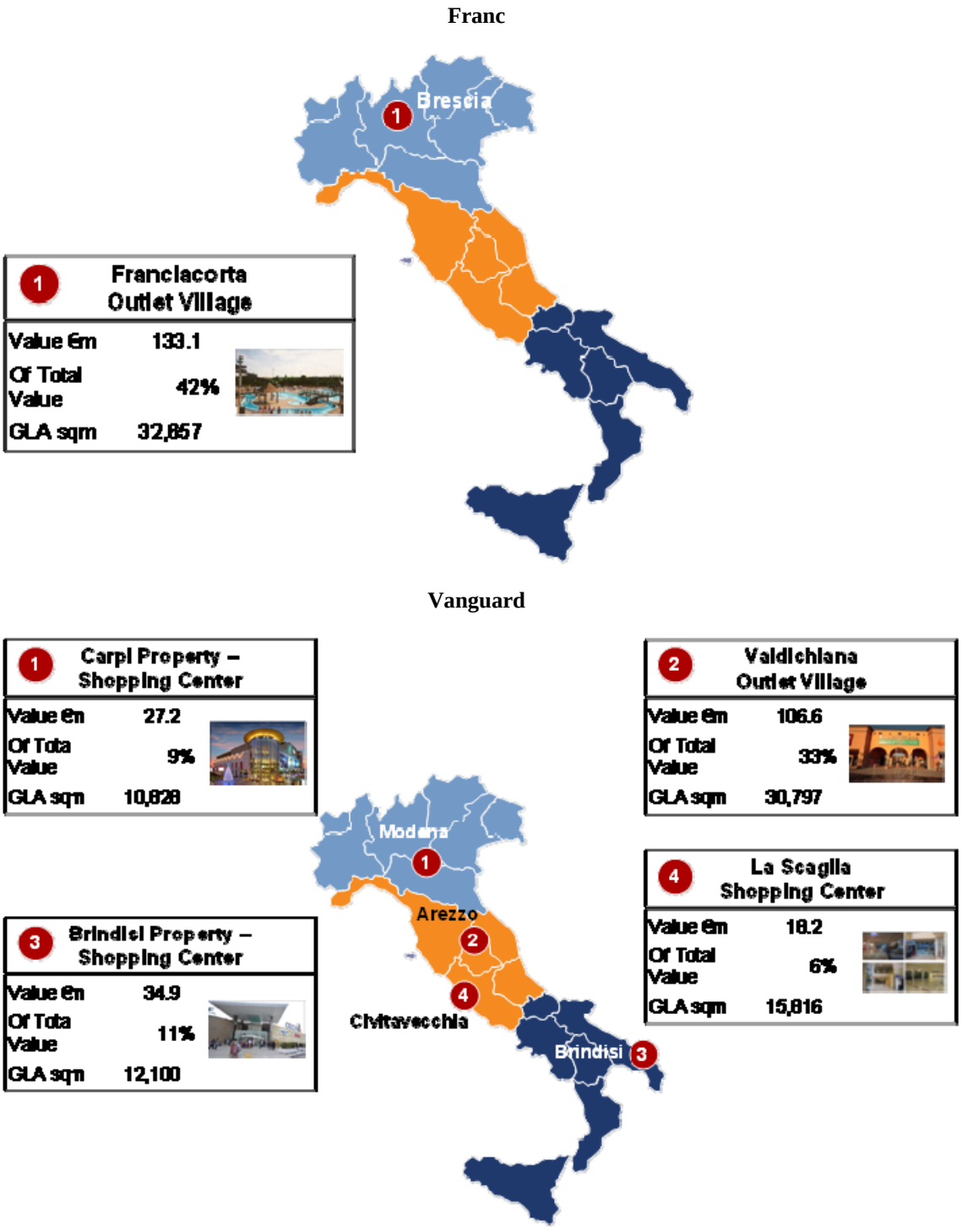
[7] Effort Ratio for Franciacorta is based on property data backing the Cushman & Wakefield Valuation Report as of 17 July 2013; Effort Ratio for the other properties is based on property data backing the Cushman & Wakefield Valuation reports as of 31 March 2014.

[8] Number of units for La Scaglia Shopping Centre includes a hypermarket and 32 retail units.

[9] During 2013 there was a partial refurbishment of the Conad hypermarket which resulted in it being closed for some time, therefore impacting performance.

B Location

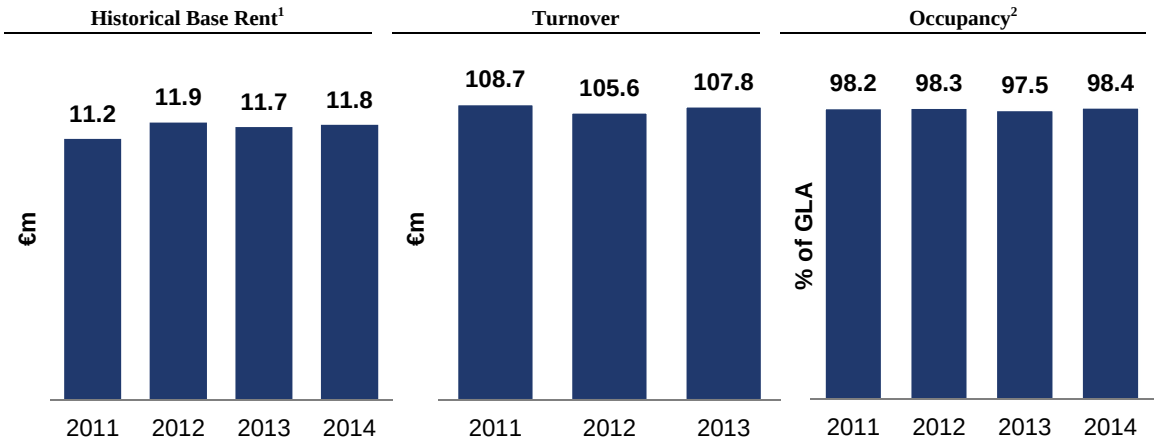
The Property Portfolio is located across Italy as follows:



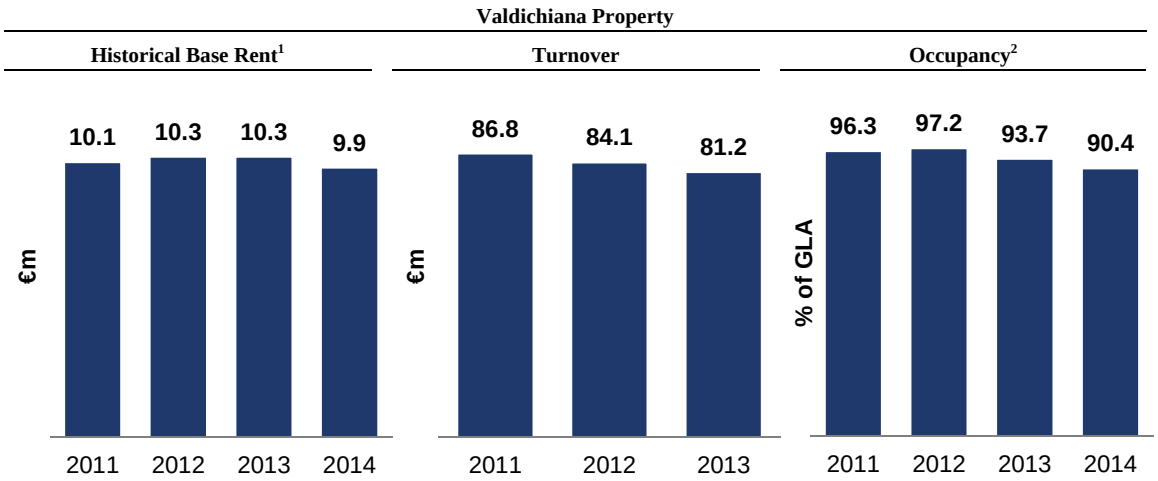
C Key Property Statistics

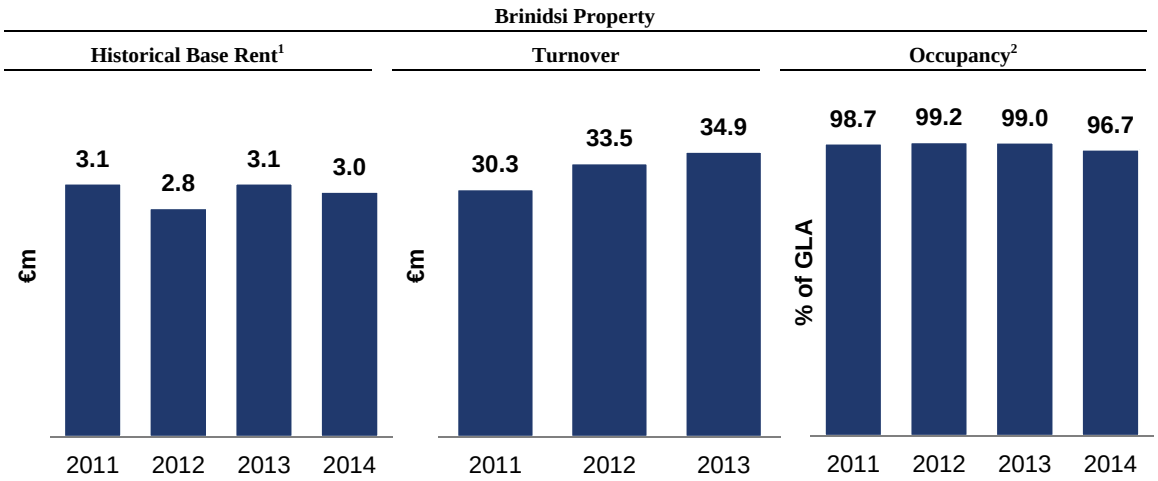
Source: Borrower Information. 2014

Franc Property

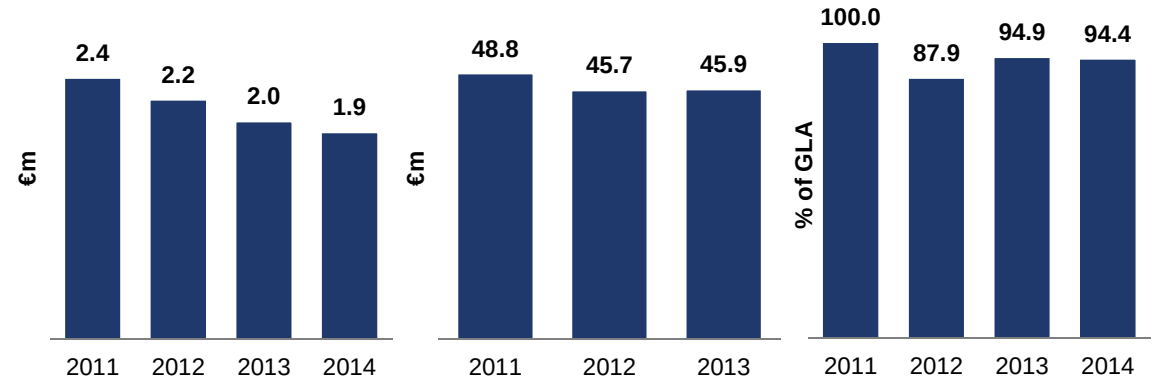


Vanguard Properties

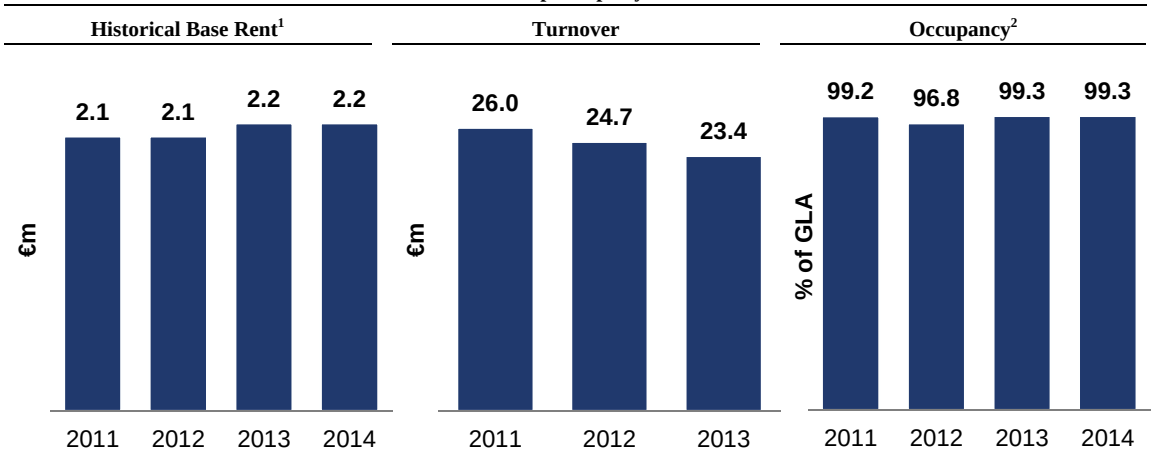




La Scaglia Property



Carpi Property



[1] Contractual rent excluding turnover rents. 2014 base rent is as of 25 March 2014 for Franc Property, and as of 31 March 2014 for Vanguard Properties.
[2] 2014 occupancy is as of 25 March 2014 for Franc Property and 31 March 2014 for Vanguard Properties

D Merchandising Mix

Merchandising mix for the Franc Property is based on Borrower information and the Cushman & Wakefield valuation report dated 17 July 2013.

Merchandising mix for the Vanguard Properties are based on Borrower information and the Cushman & Wakefield valuation reports dated 31 March 2014.

Merchandising Mix: Franc Property

Category	Total GLA (sqm)	Weight on Total GLA	Rent (€m)	Weight on Total Rent
Bars & Restaurants	2,373	7.3%	609,403	5.2%
Cash Dispenser	82	0.2%	34,519	0.3%
Electrical goods & Telecom	50	0.2%	15,867	0.1%
Fashion, shoes & accessories	23,424	71.7%	8,847,817	75.9%
Healthcare & Beauty	1,237	3.8%	487,001	4.2%
Household Goods	3,084	9.4%	1,161,378	10.0%
Other goods	1,327	4.1%	508,543	4.4%
Temporary Store	273	0.8%	-	0.0%

Vacant	808	2.5%	-	0.0%
Total	**32,657**	**100.0%**	**11,664,530**	**100.0%**

Merchandising Mix: Valdichiana Property

Category	Total GLA (sqm)	Weight on Total GLA	Rent (€m)	Weight on Total Rent
Bars & Restaurants	1,983	6.4%	462,259	4.7%
Books & Toys	342	1.1%	135,664	1.4%
Fashion, shoes & accessories	21,831	70.9%	7,863,196	79.3%
Gifts & jewellery	246	0.8%	103,284	1.0%
Healthcare & Beauty	844	2.7%	347,261	3.5%
Household goods	2,116	6.9%	815,734	8.2%
Other goods	339	1.1%	149,875	1.5%
Services	120	0.4%	40,677	0.4%
ATM	20	0.1%	-	-
Vacant	2,957	9.6%	-	-
Total	**30,797**	**100.0%**	**9,917,950**	**100.0%**

Merchandising Mix: Brindisi Property

Category	Total GLA (sqm)	Weight on Total GLA	Rent (€m)	Weight on Total Rent
Bars & Restaurants	614	5.1%	170,892	5.7%
Books & Toys	240	2.0%	55,000	1.8%
Electrical goods & telecom	189	1.6%	94,967	3.2%
Fashion, shoes & accessories	8,417	69.6%	1,949,276	65.0%
Gifts & Jewellery	433	3.6%	206,926	6.9%
Healthcare & Beauty	601	5.0%	264,402	8.8%
Household Goods	1,004	8.3%	142,691	4.8%
Other goods	96	0.8%	36,240	1.2%
Services	85	0.7%	29,960	1.0%
Storage	18	0.1%	3,600	0.1%
Vacant	403	3.3%	-	0.0%
Billboard	-	0.0%	45,000	1.5%
Total	**12,100**	**100.0%**	**2,998,955**	**100.0%**

Merchandising Mix: La Scaglia Property

Category	Total GLA (sqm)	Weight on Total GLA	Rent (€m)	Weight on Total Rent
Books & Toys	181	1.1%	48,000	2.5%
Electrical goods & Telecom	2,324	14.7%	202,408	10.6%
Fashion, shoes & accessories	4,004	25.3%	575,898	30.2%
Gifts & Jewellery	434	2.7%	128,333	6.7%
Healthcare & Beauty	453	2.9%	152,298	8.0%
Household Goods	154	1.0%	27,534	1.4%
Hypermarket	6,350	40.2%	554,400	29.1%
Other		0.0%	6,817	0.4%
Services	80	0.5%	40,496	2.1%
Sporting goods	958	6.1%	172,000	9.0%
Vacant	878	5.6%	-	0.0%
Total	**15,816**	**100.0%**	**1,908,185**	**100.0%**

Merchandising Mix: Carpi Property

Category	Total GLA (sqm)	Weight on Total GLA	Rent (€m)	Weight on Total Rent
Bars & Restaurants	225	2.1%	102,052	4.6%
BYI	2,786	25.7%	399,148	17.8%
Electrical goods & Telecom	2,291	21.2%	383,650	17.1%
Fashion, shoes & accessories	2,251	20.8%	585,822	26.2%
Gifts & jewellery	117	1.1%	81,436	3.6%

Healthcare & beauty	639	5.9%	253,898	11.3%
Services	437	4.0%	215,421	9.6%
Sporting goods	2,001	18.5%	218,130	9.7%
Vacant	80	0.7%	-	0.0%
Total	**10,828**	**100.0%**	**2,239,558**	**100.0%**

E Tenure

The Property Portfolio is held freehold. The legal title to the (i) Valdichiana Property is held by Valdichiana (ii) Brindisi Property is held by Brindisi (iii) Carpi Property is held by Carpi (iv) La Scaglia Property is held by La Scaglia, and (v) Franc Property is held by the Franc Borrower. Security has been taken over each Property as further described in "*The Loan Portfolio – The Vanguard Loan Security" and "The Loan Portfolio – The Franc Loan Security*".

F Rental Income Profile

Top ten tenants profile for the Franc Property is based on rent roll as of 25 March 2014.

Top ten tenants profile for the Vanguard Properties are based on Cushman & Wakefield valuation reports dated 31 March 2014.

Top 10 Tenants: Franc Property

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€m)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Benetton	Fashion, shoes & accessories	534	1.6%	263,553	2.2%	31-Dec-2015	31-Dec-2015
Nike	Fashion, shoes & accessories	906	2.8%	260,545	2.2%	22-Jul-2015	22-Jul-2015
Puma	Fashion, shoes & accessories	480	1.5%	216,733	1.8%	12-May-2014	12-May-2014
Calvin Klein	Fashion, shoes & accessories	423	1.3%	206,139	1.7%	28-Sep-2020	28-Sep-2020
Asics	Fashion, shoes & accessories	553	1.7%	178,450	1.5%	31-Aug-2017	31-Aug-2017
Guess	Fashion, shoes & accessories	511	1.6%	161,966	1.4%	19-Oct-2018	18-Apr-2023
Autogrill	Bar and restaurants	657	2.0%	160,557	1.4%	30-Apr-2017	30-Apr-2017
Marina Militare	Fashion, shoes & accessories	387	1.2%	159,695	1.4%	12-Dec-2015	12-Jul-2018
Harmont & Blaine	Fashion, shoes & accessories	421	1.3%	151,160	1.3%	01-Sep-2020	01-Sep-2020
Alcott	Fashion, shoes & accessories	424	1.3%	146,968	1.2%	02-Jul-2014	01-Jul-2019
Sub Total		**5,297**	**16.2%**	**1,905,767**	**16.1%**	**07-Jan-2017**	**02-Jan-2018**
Other		27,360	83.8%	9,908,726	83.9%	17-Oct-2017	15-Jan-2019
Total		**32,657**	**100.0%**	**11,814,494**	**100.0%**	**01-Sep-2017**	**15-Nov-2018**

Top 10 Tenants: Valdichiana Property

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€m)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Nike	Fashion, shoes & accessories	751	2.4%	224,128	2.3%	15-Jul-2017	15-Jul-2017
Calvin Klein	Fashion, shoes & accessories	634	2.1%	221,053	2.2%	28-Sep-2020	28-Sep-2020
Benetton	Fashion, shoes & accessories	607	2.0%	213,705	2.2%	15-Jul-2019	15-Jul-2019
Adidas	Fashion, shoes & accessories	575	1.9%	201,322	2.0%	28-Apr-2017	28-Apr-2017
Industries Factory Store	Fashion, shoes & accessories	507	1.6%	192,714	1.9%	17-Jan-2016	18-Jul-2020
Bata	Fashion, shoes & accessories	450	1.5%	191,487	1.9%	15-Jul-2019	15-Jul-2019
Massimo Rebecchi	Fashion, shoes & accessories	488	1.6%	187,143	1.9%	09-Oct-2021	09-Oct-2021
VFG Factory Store	Fashion, shoes & accessories	462	1.5%	175,347	1.8%	31-Dec-2014	31-Dec-2014
Alcott	Fashion, shoes & accessories	460	1.5%	164,579	1.7%	07-Jul-2016	01-Jul-2021

Levi's	Fashion, shoes & accessories	435	1.4%	157,078	1.6%	15-Jul-2019	15-Jul-2019
Sub Total		**5,370**	**17.4%**	**1,928,557**	**19.4%**	**29-May-2018**	**14-Apr-2019**
Other		25,427	82.6%	7,989,393	80.6%	13-Mar-2018	11-Feb-2019
Total		**30,797**	**100.0%**	**9,917,950**	**100.0%**	**28-Mar-2018**	**23-Feb-2019**

Top 10 Tenants: Brindisi Property

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€m)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Zara	Fashion, shoes & accessories	1,491	12.3%	232,096	7.7%	01-Feb-2015	29-Sep-2019
Bata	Fashion, shoes & accessories	714	5.9%	172,000	5.7%	01-Jan-2017	31-Dec-2020
Happy Casa Store	Household Goods	1,004	8.3%	142,691	4.8%	31-Mar-2019	31-Mar-2019
H&M	Fashion, shoes & accessories	1,554	12.8%	138,150	4.6%	30-May-2015	30-May-2026
Obbiettivi Moda	Fashion, shoes & accessories	272	2.3%	95,000	3.2%	12-Aug-2019	12-Aug-2019
Idea Bellezza	Healthcare & Beauty	200	1.7%	87,889	2.9%	29-Mar-2014	29-Mar-2017
Pizzaristo	Bars & Restaurants	407	3.4%	86,834	2.9%	15-Nov-2014	14-Nov-2019
Bershka	Fashion, shoes & accessories	399	3.3%	82,781	2.8%	01-Jan-2015	29-Sep-2019
Tezenis	Fashion, shoes & accessories	220	1.8%	82,378	2.7%	28-Apr-2015	28-Mar-2017
Pull & Bear	Fashion, shoes & accessories	389	3.2%	80,626	2.7%	01-Jan-2015	29-Sep-2019
Sub Total		**6,651**	**55.0%**	**1,200,446**	**40.0%**	**05-Mar-2016**	**10-Apr-2020**
Other		5,449	45.0%	1,798,510	60.0%	05-Mar-2017	22-Mar-2018
Total		**12,100**	**100.0%**	**2,998,955**	**100.0%**	**10-Oct-2016**	**16-Jan-2019**

Top 10 Tenants: La Scaglia Property

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€m)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Conad	Hypermarket	6,350	40.2%	554,400	29.1%	24-Oct-2021	24-Oct-2021
Game 7 Athletics	Sporting goods	958	6.1%	172,000	9.0%	31-Dec-2017	30-Jun-2020
Piazza Italia	Fashion, shoes & accessories	958	6.1%	152,568	8.0%	31-Jul-2015	31-Jul-2015
Euronics	Electrical goods & Telecom	2,135	13.5%	150,000	7.9%	31-Dec-2017	31-Dec-2020
Deichman	Fashion, shoes & accessories	668	4.2%	121,193	6.4%	31-Dec-2014	31-Dec-2014
Sephora	Healthcare & Beauty	317	2.0%	97,673	5.1%	31-Dec-2015	31-Dec-2015
Stroili Oro	Gifts & Jewellery	158	1.0%	79,680	4.2%	31-Dec-2014	31-Dec-2015
Upim	Fashion, shoes & accessories	1,131	7.2%	60,000	3.1%	27-Aug-2017	27-Aug-2028
Terranova	Fashion, shoes & accessories	263	1.7%	50,000	2.6%	31-May-2017	31-May-2021
Stile Libero	Gifts & Jewellery	276	1.7%	48,653	2.5%	20-Nov-2014	20-Nov-2014
Sub Total		**13,214**	**83.6%**	**1,486,167**	**77.9%**	**02-Jul-2018**	**22-Sep-2019**
Other		2,602	16.4%	422,018	22.1%	15-Sep-2015	09-Apr-2017
Total		**15,816**	**100.0%**	**1,908,185**	**100.0%**	**18-Nov-2017**	**08-Mar-2019**

Top 10 Tenants: Carpi Property

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€m)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Obi	BYI	2,786	25.7%	399,148	17.8%	28-Nov-2016	28-Nov-2016
Comet	Electrical goods & Telecom	2,114	19.5%	299,214	13.4%	01-May-2015	01-May-2015
Scarpe & Scarpe	Fashion, shoes & accessories	1,512	14.0%	281,014	12.5%	01-Sep-2019	01-Sep-2019
Sport Fashion Outlet	Sporting goods	1,172	10.8%	136,620	6.1%	02-Jul-2017	02-Jul-2017
Marco e Luisa Vaccari	Healthcare & beauty	184	1.7%	111,210	5.0%	18-Sep-2015	18-Sep-2015
United Colors of Benetton	Fashion, shoes & accessories	279	2.6%	92,736	4.1%	05-Oct-2021	05-Oct-2021
Champion	Sporting goods	829	7.7%	81,510	3.6%	18-Sep-2014	18-Sep-2014
Gold Gallery	Gifts & jewellery	117	1.1%	81,436	3.6%	18-Sep-2015	18-Sep-2015
Golden Point	Fashion, shoes & accessories	125	1.2%	70,000	3.1%	31-Dec-2020	31-Dec-2020

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€m)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Ottica Optometria Righetti	Healthcare & beauty	118	1.1%	67,506	3.0%	18-Sep-2015	18-Sep-2015
Sub Total		**9,236**	**85.3%**	**1,620,394**	**72.4%**	**19-Apr-2017**	**19-Apr-2017**
Other		1,592	14.7%	619,164	27.6%	03-Feb-2018	18-Sep-2018
Total		**10,828**	**100.0%**	**2,239,558**	**100.0%**	**08-Jul-2017**	**09-Sep-2017**

G Lease Rollover

The below table provides the Lease Rollover profiles to both break and expiry. Where rent break information is unavailable, rent expiry was used.

Lease rollover profile for the Franc Property is based on rent roll as of 25 March 2014.

Lease rollover profile for the Vanguard Properties are based on Cushman & Wakefield valuation reports dated 31 March 2014.

Lease Rollover Statistics: Franc Property

Year	€m Rent Expiring	Cumulative	€m Rent Break	Cumulative
2014	821,211	7.0%	1,303,340	11.0%
2015	998,625	15.4%	2,538,618	32.5%
2016	43,177	15.8%	473,161	36.5%
2017	2,432,129	36.4%	2,620,579	58.7%
2018	1,743,785	51.1%	1,713,088	73.2%
2019	1,130,557	60.7%	768,241	79.7%
2020	2,568,925	82.4%	1,436,644	91.9%
2021	1,313,722	93.5%	616,730	97.1%
2022	360,530	96.6%	104,226	98.0%
2023	247,015	98.7%	85,049	98.7%
Unknown	154,817	100.0%	154,817	100.0%
Total	**11,814,494**		**11,814,494**	

Lease Rollover Statistics: Valdichiana Property

Year	€m Rent Expiring	Cumulative	€m Rent Break	Cumulative
2014	922,387	9.3%	1,065,698	10.7%
2015	708,231	16.4%	1,196,433	22.8%
2016	127,968	17.7%	691,550	29.8%
2017	1,361,679	31.5%	1,855,540	48.5%
2018	430,431	35.8%	532,753	53.9%
2019	2,546,653	61.5%	2,495,716	79.0%
2020	1,313,313	74.7%	728,193	86.4%
2021	2,134,695	96.2%	1,196,933	98.4%
2022	155,133	97.8%	155,133	100.0%
2023	140,681	99.2%	-	100.0%
2024	76,781	100.0%	-	100.0%
Total	**9,917,950**	**100.0%**	**9,917,950**	**100.0%**

Lease Rollover Statistics: Brindisi Property

Year	€m Rent Expiring	Cumulative	€m Rent Break	Cumulative
2014	34,278	1.1%	509,092	17.0%
2015	126,967	5.4%	847,967	45.3%
2016	157,751	10.6%	238,751	53.2%
2017	902,065	40.7%	683,307	76.0%
2018	268,166	49.7%	268,166	84.9%
2019	987,338	82.6%	315,432	95.5%
2020	303,000	92.7%	55,000	97.3%
2024	36,240	93.9%	36,240	98.5%

Year	€m Rent Expiring	Cumulative	€m Rent Break	Cumulative
2025	45,000	95.4%	45,000	100.0%
2026	138,150	100.0%	-	100.0%
Total	**2,998,955**	**100.0%**	**2,998,955**	**100.0%**

Lease Rollover Statistics: La Scaglia Property

Year	€m Rent Expiring	Cumulative	€m Rent Break	Cumulative
2014	238,626	12.5%	349,547	18.3%
2015	459,489	36.6%	500,977	44.6%
2016	31,240	38.2%	-	44.6%
2017	68,429	41.8%	503,261	70.9%
2018	35,000	43.6%	-	70.9%
2019	-	43.6%	-	70.9%
2020	411,000	65.2%	-	70.9%
2021	604,400	96.9%	554,400	100.0%
2028	60,000	100.0%	-	100.0%
Total	**1,908,185**	**100.0%**	**1,908,185**	**100.0%**

Lease Rollover Statistics: Carpi Property

Year	€m Rent Expiring	Cumulative	€m Rent Break	Cumulative
2014	81,510	3.6%	150,298	6.7%
2015	637,373	32.1%	637,373	35.2%
2016	399,148	49.9%	399,148	53.0%
2017	362,223	66.1%	362,223	69.2%
2018	148,501	72.7%	148,501	75.8%
2019	372,586	89.4%	344,278	91.2%
2020	110,480	94.3%	70,000	94.3%
2021	92,736	98.4%	92,736	98.4%
2026	35,000	100.0%	35,000	100.0%
Total	**2,239,558**	**100.0%**	**2,239,558**	**100.0%**

H Valuation

Vanguard: Cushman & Wakefield valued the Vanguard Properties on a RICS basis at €186,900,000. The valuation report for each of the Vanguard properties is as of 31 March 2014.

Franc: Cushman & Wakefield valued the Franc Property on a RICS basis at €133,100,000. The valuation report is as of 17 July 2013.

The valuation is expressed as the valuation of a freehold interest in the Properties. The table below sets out the key figures from the valuation, please refer to the individual valuation reports for further details.

Valuation Summary

Asset	Minimum Guaranteed Rent[1]	Expected Headline Rent[2]	Market Rent[3]	Other Income[4]	NOI (net Operating income)[5]	Market Value	% of Total Value	Net Exit Yield	Net Initial Yield[6]	Gross Initial Yield[7]	Gross Lettable Area (sq m)	Number of Units[8]
Vanguard Properties:												
Valdichiana Property.....	€10,223,096	€10,877,767	€10,320,000	€165,326	€9,260,959	€106,600,000	33%	8.25%	8.69%	9.75%	30,797	133
Brindisi Property	€3,074,683	€3,236,367	€3,180,000	€276,941	€2,532,297	€34,900,000	11%	7.50%	7.26%	9.60%	12,100	58
La Scaglia Property	€1,928,847	€2,221,719	€2,130,000	€96,966	€1,393,474	€18,200,000	6%	8.25%	7.66%	11.13%	15,816	33
Carpi Property	€2,294,461	€2,312,708	€2,150,000	€201,000	€2,056,583	€27,200,000	9%	7.25%	7.56%	9.17%	10,828	27
Total Vanguard	**€17,521,087**	**€18,648,561**	**€17,780,000**	**€740,233**	**€15,243,313**	**€186,900,000**	**100%**	-	-	-	**69,539**	**251**
Franc:												
Franc Property	€11,920,503	€12,041,262	€11,878,000	€537,420	€11,308,242	€133,100,000	42%	8.00%	8.50%	9.36%	32,657	152

Sources: Cushman & Wakefield valuation reports dated 17-Jul-2013 for Franc and 31-Mar-2014 for the Vanguard Properties; Borrower Information.
[1] In year 1 of the DCF.
[2] Annual minimum guaranteed rent to be paid at the end of any rent-free or reduced-rent period, including estimated market rent for the units currently vacant.
[3] Including vacant space.
[4] Temporary lettings (mall income) and Turnover rent in year 1 of the DCF.
[5] Total rent after deduction for non recoverable costs in year 1 of the DCF.
[6] NOI on Market Value.
[7] Minimum guaranteed rent plus Other income on Market Value.
[8] Number of units for La Scaglia Shopping Centre includes a hypermarket and 32 retail units.

I Individual Property Summaries

Franc Property

The Franc Property is located in the municipality of Rodengo Saiano, in the province of Brescia, in the Lombardy region, in the north of Italy. Rodengo Saiano is part of the Franciacorta region.

The Franc Property is 4 km to the south-east of the town centre and is located between the cities of Brescia (10 km to the south-east) and Bergamo (45 km to the north-west). Brescia is the fifth most populated city in Italy, with more than 1.2 million people.

The Franc Property consists of a factory outlet centre, with a total GLA of approximately 32,657 sqm. The factory outlet is developed on a single above-ground level, except for Unit C01, located in the central piazza, which is developed on two above-ground levels. The Franc Property accommodates 152 shops and restaurants. The Franc Property was developed in two phases. The first one opened to the public in 2003, while the second one has been operating since 2006.

Top ten tenants in the property include: Benetton, Nike, Puma, Calvin Klein, Asics, Guess, Autogrill, Marina Militare, Harmont & Blaine, and Alcott. **The top 10 tenants comprise 16.1% of total rent.**

Valdichiana Property

The Valdichiana Property is located in the municipality of Foiano della Chiana, in the province of Arezzo, in the Tuscany region, in the centre of Italy. Foiano della Chiana is part of the Val di Chiana region, which covers about 2,300 square kilometres, running north to south between Arezzo and Orvieto. Val di Chiana is located in the heart of Italy, near the border with the Umbria region. Not far from Val di Chiana are some attractive tourist destinations located in Umbria and in the south of Tuscany, like Arezzo and Montepulciano which are positioned, respectively, 30 km to the north and 20 km to the south of Foiano della Chiana.

The Valdichiana Property consists of a factory outlet centre, with a total GLA of approximately 30,797 sq m. The factory outlet is developed on a single aboveground level, except for the units located at the southern portion of the central piazza (Piazza Maggiore), which are developed on two above-ground levels. The Valdichiana Property accommodates 133 shops and restaurants.

The Valdichiana Property was developed in three phases. The first one opened to the public in 2005, the second one in 2007 and the last one has been operating since 2008.

Top ten tenants in the property include: Nike, Calvin Klein, Benetton, Adidas, Industries Factory Store, Bata, Massimo Rebecchi, VFG, Alcott and Levi's. **The top 10 tenants comprise 19.4% of total rent.**

Brindisi Property

The Brindisi Property is located in the municipality of Brindisi, province of the Puglia region, in the south of Italy.

The shopping centre is 5 km to the south-west of the city centre, along the State Road Strada Statale SS7 per Mesagne, from which it is directly accessible and from which it benefits from a very good visibility. The SS7 is a dual carriageway road linking Brindisi to Taranto, to the south-west.

The Brindisi Property consists of a shopping centre's gallery, with a total GLA of approximately 12,100 sq m. The Property accommodates 58 shops and restaurants, including a cash dispenser and a storage unit. The centre opened in March 2007.

Top ten tenants in the property include: Zara, Bata, Happy Casa Store, H&M, Obbiettivi, Idea Bellezza, Pizzaristo, Bershka, Tezenis, and Pull & Bear. **The top 10 tenants comprise 40.0% of total rent.**

La Scaglia Property

The La Scaglia Property is located in the municipality of Civitavecchia, 45 km north of Rome. The La Scaglia Property is 8 km to the north of the city centre, along the State Road SS1 Via Aurelia Nord, from which it is directly accessible and from which it benefits from good visibility. The SS1 is a dual carriageway road linking Rome to Tuscany. Civitavecchia is also connected to Rome through the motorway A12.

The La Scaglia Property consists of a shopping centre, with a total GLA of 15,816 sq m. The shopping centre is developed on two levels and accommodates a hypermarket (Conad-Leclerc) of 6,350 sq m GLA and 32 retail units. Some 75% of the total GLA is at first floor. In 2013 it has reduced the GLA allowing the creation of an MSU let to Upim (national fashion) and 2 small units. The ground floor accommodates a portion of the retail gallery, a covered parking and on the north-east end the warehouse of Euronics and the loading area of the hypermarket. The Centre opened in 1997.

Top ten tenants in the property include: Conad, Game 7 Athletics, Piazza Italia, Euronics, Deichman, Sephora, Stroili Oro, Upim, Terranova, and Stile Libero. **The top 10 tenants comprise 77.9% of total rent.**

Carpi Property

The Carpi Property is located in the municipality of Carpi, in the province of Modena, in the Emilia Romagna region, in the north of Italy. Carpi is a municipality of circa 67,000 habitants, located between the cities of Modena (20 km to the south) and Mantova (58 km to the north).

The Carpi Property is a shopping gallery with 27 units and a total GLA of 10,828 sq m. The shopping centre opened to the public in September 2005.

Top ten tenants in the property include: Obi, Comet, Scarpe & Scarpe, Game 7 Athletics, Marco e Luisa Vaccari, Benetton, Champion, Gold Gallery, Golden Point, and Ottica Optometria Righetti. **The top 10 tenants comprise 72.4% of total rent.**

ACQUISITION, OWNERSHIP AND LEASES OF THE PROPERTY PORTFOLIO

The Franc Acquisition

A Notarial Deed

On 20 September 2013, Frankie Bidco S.à r.l. ("**Franc Bidco**") entered into a notarial deed for the acquisition from Aberdeen Asset Management Deutschland AG (the "**Franc Vendor**") of the entire corporate capital of Degi Franciacorta S.r.l. (subsequently re-named as Franciacorta Retail S.r.l.) (the "**Franc Target**"), the owner of the Franc Property.

"**Franc Property**" means the retail park named "Franciacorta Outlet Village" located in Rodengo Saiano, via del Borgo, and any other interest in land or buildings and all rights relating thereto, identified under the cadastral register as set out in the 20 years notarial report relating to that property.

B Franc Acquisition Agreement

In the context of the sale of the Franc Target to Franc Bidco, on 17 July 2013 Franc Bidco and the Franc Vendor executed a conditional purchase agreement for the acquisition of the Franc Target ("**Franc Acquisition Agreement**"). In accordance with the terms of the Franc Acquisition Agreement, following satisfaction of the conditions precedent to which the Franc Acquisition was subject, the parties to the Franc Acquisition Agreement entered into a notarial agreement for the transfer of the ownership of the Franc Target, in compliance with the formal requirements of Italian law, which does not prevail over or novate the Franc Acquisition Agreement.

Representations and warranties

In the Franc Acquisition Agreement, the Franc Vendor has given representations and warranties to Franc Bidco that relate to the matters which are typically the subject of representations and warranties in Italian commercial real estate transactions executed by way of purchase of the holding company, including (i) ownership of the Franc Target, (ii) ownership of the Franc Property, (iii) licenses and authorizations, (iv) lease agreements for, security deposits relating to, and the tenants occupying the Franc Property, (v) insurance for the Franc Property, (vi) employee matters, (vii) pending litigation, and (viii) fiscal matters.

Monetary caps and limitations

Under the Franc Acquisition Agreement, the Franc Vendor has granted an indemnity, not subject to monetary cap, to Franc Bidco for breach of certain representations, including those relating to (i) ownership of the corporate capital of the Franc Target (ii) ownership of the Franc Property, (iii) due filing of past tax returns, due payment of past taxes and the company's tax status, and (v) the absence of employees. For breaches of all other representations, Franc Bidco has the right to be indemnified for a maximum overall amount of €12,500,000, subject to each request for indemnification requiring a claim in excess of €10,000 and to no indemnification being due until the requests for indemnification reach €100,000 in the aggregate, paying in such latter case only the excess amount. In all cases, indemnification will be reduced: (i) by any amounts received as indemnification by other third parties (including insurance companies), (ii) by any liability that is deductible for tax purposes, (iii) if a specific provision or reserve has been included in the closing financial statements, and (iv) if Franc Bidco has not mitigated the loss in accordance with Italian law.

Under the Franc Acquisition Agreement, Franc Bidco acknowledges that the Franc Vendor's representations and warranties are limited in respect of matters disclosed in the data room documentation where the relevance of such matter was apparent to a reasonable and diligent real estate investor.

Time bars

Requests for indemnification will be barred unless submitted within 18 months from the Franc Closing Date (i.e. by 20 May 2015), except for the representations and warranties relating to (i) ownership of the Franc Target (ii) ownership of the Franc Property, (iii) due payment of past taxes and the company's status, and (v) the absence of employees, which will expire 15 Business Days after the expiry of the statute of limitations applicable to the merit of the matter covered.

C Franc Acquisition Escrow Agreements

In accordance with the provisions of the Franc Acquisition Agreement, on 20 September 2013 Franc Bidco, the Franc Vendor and Commerzbank AG as escrow agent entered into two escrow agreements (the "**Franc Acquisition Escrow Agreements**") as follows:

(a) Escrow agreement for Euro 6,668,000 to be held in connection with the agreement executed between, inter alia, Franc Bidco and the Franc Vendor, which governs their mutual rights and obligations in relation to certain potential tax claims (see below "Franc Tax Claim Agreement"); and

(b) Escrow agreement for Euro 12,500,000 to be held in connection with the indemnification obligations assumed under the Franc Acquisition Agreement by the Franc Vendor towards Franc Bidco.

E Franc Tax Claim Agreement

On 17 July 2013, the Franc Vendor, and Franc Bidco and the Franc Target executed a tax claim agreement in relation to a certain potential claims from the Italian tax authorities against Franc Target, whereby the Franc Vendor undertook to indemnify the Franc Target in relation to pre-defined potential tax claims brought against Franc Target by the Italian tax authorities on the basis of the tax audit performed for tax year 2009-2010, and any in relation to tax years 2008-2009, 2010-2011 and 2011-2012. An escrow agreement has been entered into setting up an escrow account for Euro 6,668,000 overall in connection with the indemnification obligations of the Franc Vendor under the Franc Tax Claim Agreement.

F Business Leases and Lease Agreements

Business Lease and Leases

The Franc Property is leased by the Franc Target to retailers pursuant to business lease agreements or lease agreements (the "**Franc Leases**"). As of 22 April 2014, 145 Franc Leases are currently in force. The Franc Leases are governed by applicable Italian law and are all on similar terms.

The Vanguard Acquisitions

A Notarial Deeds

On 27 February 2014, Vanguard Bidco S.à r.l. ("**Vanguard Bidco**") entered into a notarial deed for the acquisition from AXA Investment Management Deutschland GmbH (the "**La Scaglia Vendor**") of the entire corporate capital of La Scaglia S.r.l. ("**La Scaglia**"), the owner of the La Scaglia Property.

On 22 May 2014, Vanguard Bidco and Valdichiana Propco S.r.l. ("**Vanguard Italian Bidco**") entered into a notarial deed for the acquisition from Aberdeen Asset Management Deutschland AG (the "**Brindisi/Carpi/Valdichiana Vendor**") of the entire corporate capital of each DEGI Brindisi S.r.l (subsequently re-named as Brindisi Retail S.r.l.) ("**Brindisi**"), DEGI Carpi S.r.l. (subsequently re-named as Carpi Retail S.r.l.) ("**Carpi**"), and DEGI Valdichiana S.r.l. (subsequently re-named as Valdichiana Retail S.r.l.) ("**Valdichiana**" and together with Brindisi and Carpi, the "**Vanguard Targets**"), which respectively own (i) the Brindisi Property, (ii) the Carpi Property, and (iii) the Valdichiana Property (together the "**Vanguard Target Properties**" and together with the La Scaglia Property the "**Vanguard Properties**").

"**Brindisi Property**" means a portion of the shopping centre named "Le Colonne" located in Brindisi, Strada La Spada no. 7, identified under the cadastral register as set out in the 20 years notarial report relating to that property.

"**Carpi Property**" means a portion of the shopping centre named "Il Borgogioioso" located in Carpi, via Delle Industrie, identified under the cadastral register as set out in the 20 years notarial report relating to that property.

"**La Scaglia Property**" means the property located in Civitavecchia Località La Scaglia, strada statale 1 – Aurelia Nord, identified under the cadastral register as set out in the 20 years notarial report relating to that property.

"**Valdichiana Property**" means the outlet named "Valdichiana Outlet Village" located in Foiano della Chiana Località Forniole, via Enzo Ferrari 5, identified under the cadastral register as set out in the 20 years notarial report relating to that property.

B La Scaglia Acquisition Agreement

In the context of the sale to Vanguard Bidco of La Scaglia, on 17 December 2013 Vanguard Bidco and the La Scaglia Vendor executed a conditional purchase agreement for the acquisition of La Scaglia ("**La Scaglia Acquisition Agreement**"). In accordance with the terms of the La Scaglia Acquisition Agreement, following satisfaction of the conditions precedent to which the La Scaglia Acquisition was subject, the parties to the La Scaglia Acquisition Agreement entered into the notarial agreement for the transfer of the ownership of La Scaglia, in compliance with the formal requirements of Italian law, which does not prevail over or novate the La Scaglia Acquisition Agreement.

Representations and warranties

Under the La Scaglia Acquisition Agreement, the La Scaglia Vendor has given representations and warranties to Vanguard Bidco that relate to the matters which are typically the subject of representations and warranties in Italian commercial real estate transactions executed by way of purchase of the holding company, including (i) ownership of La Scaglia, (ii) ownership of the La Scaglia Property, (iii) licenses and authorizations, (iv) lease agreements pursuant to which the lessees occupy the La Scaglia Property, (v) insurance for the La Scaglia Property, (vi) employee matters, (vii) compliance with law, and (viii) fiscal matters.

Monetary caps and limitations

Under the La Scaglia Acquisition Agreement, the La Scaglia Vendor has granted an indemnity to Vanguard Bidco for breach of the representations given by the La Scaglia Vendor in the La Scaglia Acquisition Agreement. For breach of representations relating to (i) ownership of the corporate capital of La Scaglia and (ii) ownership of the La Scaglia Property, Vanguard Bidco has the right to be indemnified for a maximum overall amount equal to the purchase price under the La Scaglia Acquisition Agreement. For breach of all other representations, Vanguard Bidco has the right to be indemnified for a maximum overall amount of €1,020,000, subject to each request for indemnification requiring a claim in excess of €50,000 and to no indemnification being due until the requests for indemnification reach €100,000 in the aggregate, in which case it indemnified for the full amount, not just for the excess. In all cases, indemnification will be reduced: (i) by any amounts received as indemnification by other third parties (including insurance companies), and (ii) by any liability that is deductible for tax purposes.

Under the La Scaglia Acquisition Agreement, Vanguard Bidco acknowledges that the La Scaglia Vendor's representations and warranties are limited in respect of matters disclosed in the data room documentation where the relevance of such matter was apparent to a reasonable investor.

Time bars

Requests for indemnification will be barred unless submitted within 18 months from the closing date of the La Scaglia Acquisition (i.e. by 27 August 2015), except for the representations and warranties relating to (i) ownership of the corporate capital of La Scaglia and (ii) ownership of the La Scaglia Property, which will expire 3 years from the closing date of the La Scaglia Acquisition (i.e. by 27 February 2017).

C La Scaglia Acquisition Escrow Agreement

In accordance with the provisions of the La Scaglia Acquisition Agreement, on 27 February 2014 Vanguard Bidco, the La Scaglia Vendor and ING Bank N.V.as escrow agent entered into an escrow agreement for €1,020,000 to be held in connection with the indemnification obligations assumed under the La Scaglia Acquisition Agreement by the La Scaglia Vendor towards Vanguard Bidco (the "**La Scaglia Acquisition Escrow Agreement**").

D La Scaglia Business Leases and Lease Agreements

The La Scaglia Property is leased by La Scaglia to retailers pursuant to business lease agreements or lease agreements (the "**La Scaglia Leases**"). As of 30 April 2014, 26 La Scaglia Leases are currently in force. The La Scaglia Leases are governed by applicable Italian law and are all on similar terms.

E Brindisi/Carpi/Valdichiana Acquisition Agreement

In the context of the sale of the Vanguard Targets to Vanguard Bidco and Vanguard Italian Bidco (as applicable), on 30 April 2014 Vanguard Bidco, Vanguard Italian Bidco and the Brindisi/Carpi/Valdichiana Vendor executed a conditional purchase agreement for the acquisition of the entire corporate capital of each of the Vanguard Targets (the "**Brindisi/Carpi/Valdichiana Acquisition Agreement**"). In accordance with the terms of the Brindisi/Carpi/Valdichiana Acquisition Agreement, following satisfaction of the conditions precedent to which the acquisition of the Targets was subject, the parties to the Brindisi/Carpi/Valdichiana Acquisition Agreement entered into a notarial agreement for the transfer of the ownership of the Vanguard Targets, in compliance with the formal requirements of Italian law, which does not prevail over or novate the Brindisi/Carpi/Valdichiana Acquisition Agreement.

Moreover, on 30 April 2014 Vanguard Bidco, Vanguard Italian Bidco and the Brindisi/Carpi/Valdichiana Vendor executed a tax claim agreement in relation to a certain potential and existing tax claims from the Italian tax authorities against certain of the Vanguard Targets (see "*Vanguard Tax Claim Agreement"* below).

In the Brindisi/Carpi/Valdichiana Acquisition Agreement, the parties agreed that Valdichiana, on one side, and Sviluppo Valdichiana S.r.l. ("**Sviluppo**") and Stilo Immobiliare Finanziaria S.r.l. ("**Stilo**") on the other side, would execute a swap agreement in relation a portion of land within the Valdichiana Property, on terms substantially agreed in the draft swap agreement attached as a schedule to the Brindisi/Carpi/Valdichiana Acquisition Agreement, and described below at "*Vanguard Swap Agreement*"). Pursuant to an undertaking included in the Vanguard Loan Agreement, the version of the Vanguard Swap Agreement to be executed must be in a form satisfactory to the Borrower Facility Agent (acting on the instructions of all of the lenders under the Vanguard Loan Agreement), and no Vanguard Obligor shall agree any amendment to the Vanguard Swap Agreement without the written consent of the Borrower Facility Agent (acting on the instructions of all of the lenders under the Vanguard Loan Agreement). It is not currently known when the Vanguard Swap Agreement will be entered into.

In the Brindisi/Carpi/Valdichiana Acquisition Agreement, the Brindisi/Carpi/Valdichiana Vendor has given representations and warranties to Vanguard Bidco and Vanguard Italian Bidco that relate to the matters which are typically the subject of representations and warranties in Italian commercial real estate transactions executed by way of purchase of the holding company, including (i) ownership of each of the Vanguard Targets, (ii) ownership of the Vanguard Target Properties, (iii) licenses and authorisations, (iv) lease agreements for, security deposits relating to, and the lessees occupying the Vanguard Target Properties, (v) insurance for the Vanguard Target Properties, (vi) employee matters, (vii) pending litigation, and (viii) fiscal matters.

Monetary caps and limitations

Under the Brindisi/Carpi/Valdichiana Acquisition Agreement, the Brindisi/Carpi/Valdichiana Vendor has granted an indemnity, not subject to monetary cap, to Vanguard Bidco and Vanguard Italian Bidco for breach of certain representations given by the Brindisi/Carpi/Valdichiana Vendor in the Brindisi/Carpi/Valdichiana Acquisition Agreement relating to (i) ownership of the Vanguard Targets (ii) ownership of the Vanguard Target Properties, (iii) authorisations other than those held by the tenants, (iv) due filing of past tax returns, due payment of past taxes and the company's tax status, and (v) the absence of employees or employee claims. For breaches of all other representations, Vanguard Bidco and Vanguard Italian Bidco have the right to be indemnified for a maximum amount of €14,436,000 for losses relating to Carpi and Valdichiana, and for a maximum amount of €3,563,000 for losses relating to Brindisi, in each case subject to each request for indemnification requiring a claim in excess of €10,000 and to no indemnification being due until the requests for indemnification reach €100,000 in the aggregate, paying in such latter case only the excess amount. In all cases, indemnification will be reduced: (i) by any amounts received as indemnification by other third parties (including insurance companies), (ii) by any liability that is deductible for tax purposes, and (iii) if a specific provision or reserve has been included in the closing financial statements.

Under the Brindisi/Carpi/Valdichiana Acquisition Agreement, Vanguard Bidco and Vanguard Italian Bidco acknowledge that the Brindisi/Carpi/Valdichiana Vendor's representations and warranties are limited in respect of matters disclosed in the data room documentation where the relevance of such matter was apparent to a reasonable and diligent real estate investor.

Time bars

Requests for indemnification will be barred unless submitted within the 18 months from the Vanguard Closing Date (i.e. by 22 November 2015), except for the representations and warranties relating to (i) ownership of the corporate capital of the Vanguard Targets (ii) ownership of the Vanguard Target Properties, (iii) authorisations other than those held by the tenants, (iv) due filing of past tax returns, due payment of past taxes, and the company's tax status and (v) the absence of employees or employee claims, which will expire 15 Business Days after the expiry of the statute of limitations applicable to the merit of the matter covered.

F Brindisi/Carpi/Valdichiana Acquisition Escrow Agreements

In accordance with the provisions of the Brindisi/Carpi/Valdichiana Acquisition Agreement, on 22 May 2014 the following escrow agreements (the "**Brindisi/Carpi/Valdichiana Acquisition Escrow Agreements**") were entered into:

(a) Escrow agreement between Vanguard Bidco, Vanguard Italian Bidco, Carpi and Valdichiana, The Brindisi/Carpi/Valdichiana Vendor and Commerzbank AG as escrow agent, for €8,550,000 to be held in connection with the agreement executed between Vanguard Bidco, Vanguard Italian Bidco, Carpi, Valdichiana and the Brindisi/Carpi/Valdichiana Vendor, which governs their mutual rights and obligations in relation to certain existing and potential tax claims; and

(b) Escrow agreement between Vanguard Bidco, Vanguard Italian Bidco, the Vanguard Targets, the Brindisi/Carpi/Valdichiana Vendor and Commerzbank AG as escrow agent for €18,000,000 to be held in connection with the indemnification obligations assumed under the Brindisi/Carpi/Valdichiana Acquisition Agreement by the Brindisi/Carpi/Valdichiana Vendor to Vanguard Bidco and Vanguard Italian Bidco.

G Vanguard Tax Claim Agreement

On 30 April 2014, Vanguard Bidco, Vanguard Italian Bidco and the Brindisi/Carpi/Valdichiana Vendor executed a tax claim agreement in relation to a certain potential and existing tax claims from the Italian tax authorities against certain of the Vanguard Targets, whereby the Brindisi/Carpi/Valdichiana Vendor undertook to indemnify Vanguard Bidco, Vanguard Italian Bidco, Carpi, and Valdichiana in relation to pre-defined potential tax claims that the Italian tax authorities may have against Carpi and Valdichiana, and one pending tax claim. An escrow agreement has been entered into setting up an escrow account of Euro 8,550,000 overall in connection with the indemnification obligations of the Brindisi/Carpi/Valdichiana Vendor under the Vanguard Tax Claim Agreement.

H Vanguard Swap Agreement

The draft form of the Vanguard Swap Agreement which was appended to the Brindisi/Carpi/Valdichiana Acquisition Agreement is governed by Italian law, and contemplates the following transactions and would (if completed and executed) create the following obligations:

(a) Valdichiana will transfer to Sviluppo, who will accept such transfer, a portion of land, with a surface area of approximately 33,800 square meters within the Valdichiana Property, including the building rights thereon; this transfer will occur shortly after execution of the Vanguard Swap Agreement;

(b) Sviluppo will transfer to Valdichiana a portion of land it owns, with a surface area of approximately 59,000 square meters, once it completes construction, over such land, of a parking lot with at least 1,000 parking spaces; this transfer is expected to occur upon the earlier of (x) the date construction of the parking lot is completed, and (y) the third anniversary of the date of execution of the Vanguard Swap Agreement;

(c) Sviluppo will also grant to Valdichiana the right to use temporary parking facilities until the transfer described at (b) above.

In addition, the draft Vanguard Swap Agreement provides for the termination of a mandate, pursuant to which Sviluppo and Stilo performed certain services in relation to permits connected to the future development on the land transferred to Sviluppo by Valdichiana, settling all claims between the parties in relation to such mandate. The draft Vanguard Swap Agreement also includes restrictions on the permitted development over the land that Sviluppo will receive in swap, principally to ensure that the development will not create any business that will compete with the activities of the shopping centre. The draft Vanguard Swap Agreement also grants to Valdichiana a right of first offer in case Sviluppo plans to sell the land transferred to it and developed by it under the agreement.

The draft Vanguard Swap Agreement includes provisions to govern expressly and in detail the duties and obligation of Sviluppo Valdichiana S.r.l. in relation to the construction of the future parking lots, as well the expected construction timetable.

In the draft Vanguard Swap Agreement, each of Valdichiana and Sviluppo gives representations and warranties in relation to itself, and the portion of land it will transfer, including representing the absence of any litigation and the absence of any tax debt, in each case in relation to the land. The indemnification obligation of Valdichiana will expire 36 months following the date of the transfer of the land to Sviluppo, and the indemnification obligation of Sviluppo will expiry 36 months after the transfer to Valdichiana of the land, as developed.

The draft Vanguard Swap Agreement includes a specific obligation for Sviluppo to indemnify Valdichiana for any expense, loss or obligation or negative covenant that Valdichiana will have in connection with the development of the parking lots. The indemnification obligations of the parties under the Vanguard Swap Agreement will be subject to monetary caps which are yet to be agreed between the parties.

Pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement the draft Vanguard Swap Agreement is intended to constitute the basis of the bona fide negotiation between Vanguard Italian Bidco Sviluppo Valdichiana S.r.l. and Stilo Immobiliare Finanziaria S.r.l. It is acknowledged however by the parties to the Brindisi/Carpi/Valdichiana Acquisition Agreement that the Vanguard Swap Agreement will include (a) the obligation of Sviluppo Valdichiana S.r.l. (1) to make always available to Valdichiana at least 1,000 parking spaces during the construction period of the new parking spaces and (2) to build 1,000 new parking spaces on the lands that will be swapped in favour of Valdichiana; (a) the obligation of Sviluppo Valdichiana S.r.l. not to carry out in the retail schemes it intends to develop near the Valdichiana Property any activities in the retail scheme such that it can be considered, for the features or the modalities according to which the activities are carried out therein, equivalent to the Valdichiana Property, to the maximum extent allowed by the law; (b) the obligation of Sviluppo Valdichiana S.r.l. to cause its transferees of the "retail park" to undertake the non-competition covenant indicated in letter (a) above; and (c) a right of first offer in favour of Valdichiana to purchase the “retail park” in the event that the Brindisi/Carpi/Valdichiana Vendor intends to dispose of it, either through an asset or a share deal.

I Business Leases and Lease Agreements

Business Lease and Leases

The Vanguard Target Properties are leased, each by its respective owner to retailers pursuant to business lease agreements or lease agreements (the "**Brindisi/Carpi/Valdichiana Leases**"). As of 30 April 2014, 196 Brindisi/Carpi/Valdichiana Leases are currently in force. The Brindisi/Carpi/Valdichiana Leases are governed by applicable Italian law and are all on similar terms.

PROPERTY AND ASSET MANAGEMENT AGREEMENTS

Franc Property and Asset Management

A Franc Property Manager

On 20 September 2013, pursuant to an asset and property management agreement (the "**Franc Property and Asset Management Agreement**"), Franc Bidco appointed Added Value Management S.r.l. (the "**Franc Property and Asset Manager**") to provide certain services to the Franc Bidco in relation to the Franc Property. The Franc Property and Asset Management Agreement constitutes a Franc Property Management Agreement and a Franc Asset Management Agreement for the purposes of the Franc Loan Agreement. The Franc Property and Asset Manager constitutes a Franc Managing Agent and a Franc Asset Manager for the purposes of the Franc Loan Agreement.

B Duties of the Franc Property Manager

The duties of the Franc Property and Asset Manager pursuant to the Franc Property and Asset Management Agreement include providing administrative services and property management services in relation to the Franc Property, such as the preparation of the budget and business plan, identifying and securing lessees, marketing for the shopping centre, and operating services generally.

C Duty of Care Agreement

The Franc Property and Asset Manager entered into a duty of care agreement with the Franc Bidco, on 20 September 2013 (such document being a "**Franc Duty of Care Agreement**") in respect of the Franc Property and Asset Management Agreement pursuant to which the Franc Property and Asset Manager has undertaken to exercise all reasonable skill, care and diligence in performing its obligations under the Franc Property and Asset Management Agreement and to comply in full with the terms of and fulfil its obligations set out in the Franc Property and Asset Management Agreement.

D Remuneration

The Franc Property and Asset Manager is entitled to receive the following payments under the Franc Property and Asset Management Agreement:

(a) as annual fixed fee, €60,000 per year;

(b) as retail manager annual fee, €80,000 per year;

(c) as variable fee, 9.75% of the service charge budget as defined in the Franc business plan;

(d) as rental collection fee, 1.5% of first year rental income, if and to the extent received in cash, for any qualifying lease;

(e) as temporary letting fee (for leases with a term of less than 12 months), 15% of temporary lettings collected;

(f) as new tenant letting fee, for each new tenant a fee ranging from 12.5% to 22.5% of first year invoiced rent, depending on whether the tenant is an entity included in the pre-defined target list (in which case the fee is lower);

(g) as lease renewal fee, for each existing tenant that renews a lease, a fee ranging from 5.0% to 10.0% first year invoiced rent depending on the length of the new lease; and

(h) for services related to construction works/project management a fee of (i) 3.0% of invoice costs in connection with works in excess of €50,000 but less than €250,000, or (i) 1.5% of invoiced costs in connection with works in excess of €250,000.

E Termination

The Franc Property and Asset Management Agreement has the following termination provisions :

(a) initial duration of 1 year, which will subsequently be automatically renewed on an annual basis unless at least three months' notice is given by one party;

(b) if the Franc Property and Asset Manager has breached certain specific obligations (e.g. quality and responsibilities in relation to its employees, information obligations, inspection rights, indemnification rights);

(c) if the Franc Property and Asset Manager delays handing over the budget and business plan by specific deadlines; and

(d) if the Franc Property and Asset Manager no longer meets all of the requirements laid down by the anti-bribery legislation and internal policies of the Sponsor.

La Scaglia Property Management

A La Scaglia Property and Asset Managers

On 30 June 2014, pursuant to an English law governed agreement (the "**La Scaglia Property Management Agreement**"), La Scaglia appointed Multi Italy S.r.l. ("**Multi Italy**") to provide property and mall management services for the La Scaglia Property.

On 22 May 2014, pursuant to an English law governed agreement (the "**La Scaglia Asset Management Agreement**"), La Scaglia appointed Multi Asset Management B.V. ("**Multi Asset Management**") to provide asset management services for the La Scaglia Property. The La Scaglia Asset Management Agreement is effective as of 1 March 2014.

B Duties of the Property and Asset Managers

The duties of Multi Italy pursuant to the La Scaglia Property Management Agreement include providing property and mall management services in relation to the La Scaglia Property, such as managing daily operations, servicing and maintenance, assisting in preparation of budgets and business plans, marketing promotion and strategic advisory services for the shopping centre, identifying and securing lessees, managing the leases and tenants, accounting services, and operating services generally.

The duties of Multi Asset Management pursuant to the La Scaglia Asset Management Agreement include providing services in relation to the La Scaglia Property, such as the implementation of business plans, preparation of budgets and business plans, capital expenditure planning, identifying and securing lessees, financing services, company accounting and filing and compliance with laws and tax laws, as well as overseeing Multi Italy's performance under the La Scaglia Property Management Agreement.

C Duty of Care Agreement

On 30 June 2014, Multi Italy entered into a duty of care agreement with La Scaglia and the Borrower Facility Agent (the "**La Scaglia Duty of Care Agreement**") in respect of the La Scaglia Property Management Agreement pursuant to which Multi Italy has undertaken to exercise all reasonable skill, care and diligence in performing its obligations under the La Scaglia Property Management Agreement and to comply in full with the terms of and fulfil its obligations set out in the La Scaglia Property Management Agreement.

D Remuneration

Under the La Scaglia Property Management Agreement, Multi Italy is entitled to receive the following payments:

(a) as a variable fee, 7.45% of the service charge budget as defined in the relevant approved business plan;

(b) as a rental collection fee, 3.25% of first year rental income, if and to the extent received in cash, for any qualifying lease;

(c) as a temporary letting fee (for leases with a term of less than 12 months), 11.95% of temporary lettings collected;

(d) as a new tenant letting fee, for each new tenant a fee of 10.39% of first year invoiced rent, for any qualifying lease; and

(e) as a project management fee, 7.45% of invoiced capex costs, payable quarterly.

Under the La Scaglia Asset Management Agreement, Multi Asset Management is entitled to receive the payment of, as a cost-plus management fee, 110% of an amount equal to the pro-rata share of the costs, fees and expenses payable by and to Multi Asset Management in order to provide the services required under the La Scaglia Asset Management Agreement.

E Term and termination

The La Scaglia Property Management Agreement has the following termination provisions:

(a) initial duration of 1 year, which will subsequently be automatically renewed on an annual basis unless at least six months' notice is given by one party of no fault/discretionary termination or delivery of a written notice specifying that a default has occurred (as described below);

(b) either party may terminate by delivery of written notice to the other party that a default has occurred in respect of either party or an affiliate of either party, such as bankruptcy of such party, gross negligence, fraud or wilful misconduct in respect of such party, material breach or default of the La Scaglia Property Management Agreement by such party or either Multi Asset Management or La Scaglia ceases to be an affiliate of The Blackstone Group L.P. and its affiliates; and

(c) if La Scaglia, or an Affiliate of La Scaglia, ceases to own the La Scaglia Property; and

(d) at the election of La Scaglia (by written notice to Multi Italy) if at any time an event of default occurs in respect of any financing arrangements entered into by La Scaglia and/or La Scaglia's affiliate(s) and relating to, or secured (in whole or in part) by, the La Scaglia and/or interests in La Scaglia.

The La Scaglia Asset Management Agreement has the following termination provisions:

(a) initial duration of 1 year, which will subsequently be automatically renewed on an annual basis unless at least six months' notice is given by one party of no fault/discretionary termination or delivery of a written notice specifying that a default has occurred (as described below);

(b) either party may terminate by delivery of written notice to the other party that a default has occurred in respect of either party or an affiliate of either party, such as bankruptcy of such party, gross negligence, fraud or wilful misconduct in respect of such party, material breach or default of the La Scaglia Asset Management Agreement by such party or either Multi Asset Management or La Scaglia ceases to be an affiliate of The Blackstone Group L.P. and its affiliates;

(c) if La Scaglia, or an Affiliate of La Scaglia, ceases to own the La Scaglia Property; and

(d) if any agent in respect of any financing arrangement entered into by La Scaglia notifies Multi Asset Management that, in respect of that financing arrangement, an event of default has occurred, action has been taken to accelerate or enforce or require the enforcement of any security granted in respect that financing arrangement, a receiver has been appointed, a power of sale has been exercised or possession as mortgagee has been taken, such agent may elect to terminate the La Scaglia Asset Management Agreement or elect to undertake to perform the obligations of La Scaglia.

Brindisi Property Management

A Brindisi Property Managers

On 5 December 2008 (as amended on 8 March 2010), pursuant to an Italian law governed agreement (the "**Existing Brindisi Property Management Agreement**"), Brindisi appointed CBRE-Espansione Commerciale S.r.l. ("**CBRE-Espansione**") to provide property management services for the Brindisi Property.

The Existing Brindisi Property Management Agreement will be terminated, and such termination will be effective on 30 September 2014. The Vanguard Loan Agreement contains a condition subsequent requiring that the Vanguard Obligors must provide the Borrower Facility Agent with a new property management agreement relating to the Brindisi Property between Brindisi and Multi Italy on or before 30 September 2014. The Vanguard Loan Agreement requires that the material terms of such new property management agreement are consistent with those of the Existing Brindisi Property Management Agreement.

On 22 May 2014, pursuant to an English law governed agreement (the "**Brindisi Asset Management Agreement**"), Brindisi appointed Multi Asset Management to provide asset management services for the Brindisi Property.

B Duties of the Property and Asset Managers

The duties of CBRE-Espansione pursuant to the Existing Brindisi Property Management Agreement include asset management and property management services, including financial management, marketing and promotion for the shopping centre, relationships with the lessees, as well as servicing and maintenance and operating services generally. The agreement includes a duty of care undertaking by CBRE-Espansione.

The duties of Multi Asset Management pursuant to the Brindisi Asset Management Agreement include providing services in relation to the Brindisi Property, such as the implementation of business plans, preparation of budgets and business plans, capital expenditure planning, identifying and securing lessees, financing services, company accounting and filing and compliance with laws and tax laws, as well as overseeing CBRE-Espansione's performance under the Existing Brindisi Property Management Agreement.

C Remuneration

Under the Existing Brindisi Property Management Agreement, CBRE-Espansione is entitled to receive the payments of annual compensation in the form of a fixed fee, which for 2014 has been agreed as Euro 20,000 + VAT, subject to adjustment through 30 September 2014.

Under the Brindisi Asset Management Agreement, Multi Asset Management is entitled to receive the payment of, as a cost-plus management fee, 110% of an amount equal to the pro-rata share of the costs, fees and expenses payable by and to Multi Asset Management in order to provide the services required under the Brindisi Asset Management Agreement.

D Termination

The Existing Brindisi Property Management Agreement will cease to be effective on 30 September 2014. As set out above, the Vanguard Obligors are required to enter into a new property management agreement relating to the Brindisi Property on or before 30 September 2014. Pursuant to Existing Brindisi Property Management Agreement, as amended, CBRE-Espansione has undertaken that prior to, and for a reasonable time after, the termination of the agreement, for no additional fees it will take all steps to ensure a proper handover of the management services to Multi Italy.

The Brindisi Asset Management Agreement has the following termination provisions:

(a) initial duration of 1 year, which will subsequently be automatically renewed on an annual basis unless at least six months' notice is given by one party of no fault/discretionary termination or delivery of a written notice specifying that a default has occurred (as described below);

(b) either party may terminate by delivery of written notice to the other party that a default has occurred in respect of either party or an affiliate of either party, such as bankruptcy of such party, gross negligence, fraud or wilful misconduct in respect of such party, material breach or default

of the Brindisi Asset Management Agreement by such party or either Multi Asset Management or Brindisi ceases to be an affiliate of The Blackstone Group L.P. and its affiliates;

(c) if Brindisi, or an Affiliate of Brindisi, ceases to own the Brindisi Property; and

(d) if any agent in respect of any financing arrangement entered into by Brindisi notifies Multi Asset Management that, in respect of that financing arrangement, an event of default has occurred, action has been taken to accelerate or enforce or require the enforcement of any security granted in respect that financing arrangement, a receiver has been appointed, a power of sale has been exercised or possession as mortgagee has been taken, such agent may elect to terminate the Brindisi Asset Management Agreement or elect to undertake to perform the obligations of Brindisi.

Carpi Property Management

A Carpi Property Managers

On 5 December 2008 (as amended on 8 March 2010), pursuant to an Italian law governed agreement (the "**Existing Carpi Property Management Agreement**"), Carpi appointed CBRE-Espansione to provide property management services for the Carpi Property.

The Existing Carpi Property Management Agreement will be terminated, and such termination will be effective on 30 September 2014. The Vanguard Loan Agreement contains a condition subsequent requiring that the Vanguard Obligors must provide the Borrower Facility Agent with a new property management agreement relating to the Carpi Property between Carpi and Multi Italy on or before 30 September 2014. The Vanguard Loan Agreement requires that the material terms of such new property management agreement are consistent with those of the Existing Carpi Property Management Agreement.

On 22 May 2014, pursuant to an English law governed agreement (the "**Carpi Asset Management Agreement**"), Carpi appointed Multi Asset Management to provide asset management services for the Carpi Property.

B Duties of the Property and Asset Managers

The duties of CBRE-Espansione pursuant to the Existing Carpi Property Management Agreement include asset management and property management services, including financial management, marketing and promotion for the shopping centre, relationships with the lessees, as well as servicing and maintenance and operating services generally. The agreement includes a duty of care undertaking by CBRE-Espansione.

The duties of Multi Asset Management pursuant to the Carpi Asset Management Agreement include providing services in relation to the Carpi Property, such as the implementation of business plans, preparation of budgets and business plans, capital expenditure planning, identifying and securing lessees, financing services, company accounting and filing and compliance with laws and tax laws, as well as overseeing CBRE-Espansione's performance under the Existing Carpi Property Management Agreement.

C Remuneration

Under the Existing Carpi Property Management Agreement, CBRE-Espansione is entitled to receive the payments of annual compensation in the form of a fixed fee, which for 2014 has been agreed as €20,000 + VAT + adjustments through 30 September 2014.

Under the Carpi Asset Management Agreement, Multi Asset Management is entitled to receive the payment of, as a cost-plus management fee, 110% of an amount equal to the pro-rata share of the costs, fees and expenses payable by and to Multi Asset Management in order to provide the services required under the Carpi Asset Management Agreement.

D Termination

The Existing Carpi Property Management Agreement will cease to be effective on 30 September 2014. As set out above, the Vanguard Obligors are required to enter into a new property management agreement relating to the Carpi Property on or before 30 September 2014. Pursuant to Existing Carpi Property

Management Agreement, as amended, CBRE-Espansione has undertaken that prior to, and for a reasonable time after, the termination of the agreement, for no additional fees it will take all steps to ensure a proper handover of the management services to Multi Italy.

The Carpi Asset Management Agreement has the following termination provisions:

(a) initial duration of 1 year, which will subsequently be automatically renewed on an annual basis unless at least six months' notice is given by one party of no fault/discretionary termination or delivery of a written notice specifying that a default has occurred (as described below);

(b) either party may terminate by delivery of written notice to the other party that a default has occurred in respect of either party or an affiliate of either party, such as bankruptcy of such party, gross negligence, fraud or wilful misconduct in respect of such party, material breach or default of the Carpi Asset Management Agreement by such party or either Multi Asset Management or Carpi ceases to be an affiliate of The Blackstone Group L.P. and its affiliates;

(c) if Carpi, or an Affiliate of Carpi, ceases to own the Carpi Property; and

(d) if any agent in respect of any financing arrangement entered into by Carpi notifies Multi Asset Management that, in respect of that financing arrangement, an event of default has occurred, action has been taken to accelerate or enforce or require the enforcement of any security granted in respect that financing arrangement, a receiver has been appointed, a power of sale has been exercised or possession as mortgagee has been taken, such agent may elect to terminate the Carpi Asset Management Agreement or elect to undertake to perform the obligations of Carpi.

Valdichiana Property Management

A Valdichiana Property and Asset Manager

On 22 May 2014, pursuant to an Italian law governed asset and property management agreement (the "**Valdichiana Property and Asset Management Agreement**), Valdichiana appointed Added Value Management S.r.l. (the "**Valdichiana Property and Asset Manager**") to provide certain services to Valdichiana in relation to the Valdichiana Property.

B Duties of the Valdichiana Property and Asset Managers

The duties of the Valdichiana Property and Asset Manager pursuant to the Valdichiana Property and Asset Management Agreement will include providing administrative services, project management services in relation to the Valdichiana Property, such as the preparation of the budget and business plan, identifying and securing lessees, marketing for the shopping centre, and operating services generally.

C Duty of Care Agreement

The Valdichiana Property and Asset Manager entered into a duty of care agreement with Valdichiana on 22 May 2014 (the "**Valdichiana Duty of Care Agreement**") in respect of the Valdichiana Property and Asset Management Agreement pursuant to which the Valdichiana Property and Asset Manager has undertaken to exercise all reasonable skill, care and diligence in performing its obligations under the Valdichiana Property and Asset Management Agreement and to comply in full with the terms of and fulfil its obligations set out in the Valdichiana Property and Asset Management Agreement.

D Remuneration

The Valdichiana Property and Asset Manager is entitled to receive the following payments under the Valdichiana Property and Asset Management Agreement:

(a) as annual fixed fee, €60,000 per year;

(b) as retail manager annual fee, €80,000 per year;

(c) as variable fee, 9.75% of the service charge budget as defined in the Valdichiana business plan;

(d) as rental collection fee, 1.5% of first year rental income, if and to the extent received in cash, for any qualifying lease;

(e) as temporary letting fee (for leases with a term of less than 12 months), 15% of temporary lettings collected;

(f) new tenant letting fee, for each new tenant a fee ranging from 12.5% to 22.5% of first year invoiced rent, depending on whether the tenant is an entity included in the pre-defined target list (in which case the fee is lower);

(g) lease renewal fee, for each existing tenant that renews a lease, a fee ranging from 5.0% to 10.0% first year invoiced rent depending on the length of the term of the new lease; and

(h) for services related to construction works/project management a fee of (i) 3.0% of invoice costs in connection with works in excess of €50,000 but less than €250,000, or (i) 1.5% of invoiced costs in connection with works in excess of €250,000.

E Term and termination

The initial term of the Valdichiana Property and Asset Management Agreement starts on 22 May 2014 and ends on 30 June 2016; thereafter, the agreement will renew for a term of one year at a time, in each case subject to any earlier termination by the parties upon their discretion or as a result of the default of the party. No party may give notice of a discretionary termination before 31 March 2015, and any discretionary termination notice given by Valdichiana as from 1 April 2015 will give rise to a daily penalty fee of Euro 821.91, to be paid by Valdichiana to the Valdichiana Property and Asset Manager for each day from the effective termination up to 30 June 2016.

The Valdichiana Property and Asset Management Agreement has the following termination provisions:

(a) after 30 June 2016, when the agreement will be automatically renewed on an annual basis unless at least three months' notice is given by one party;

(b) if the Valdichiana Property and Asset Manager has breached the representations given by it in the Valdichiana Property and Asset Management Agreement or certain specific obligations (e.g. quality and responsibilities in relation to its employees, information obligations, inspection rights, indemnification rights);

(c) if the Valdichiana Property and Asset Manager delays handing over the budget and business plan by specific deadlines; and

if the Valdichiana Property and Asset Manager no longer meets all of the requirements laid down by the anti-bribery legislation and internal policies of the parent company of Valdichiana..

THE LOAN PORTFOLIO

The Loan Portfolio consists of the Franc Loan and the Vanguard Loan (together the "**Loans**"), all related Franc Loan Security and the Vanguard Loan Security (together the "**Loan Security**") and any other related documents purchased on 1 July 2014 by the Issuer pursuant to the terms and conditions of the Loan Portfolio Sale Agreement (the "**Loan Portfolio**"). The Originator, as the initial lender, will assign its rights in respect of the Loan Portfolio to the Issuer pursuant to the Loan Portfolio Sale Agreement on the Issue Date.

The Franc Loan

A The Franc Loan – Overview

A €78,437,500 loan facility was made available by Goldman Sachs International Bank as original lender (the "**Originator**") pursuant to a loan agreement dated 11 September 2013 between, amongst others, (1) Frankie Holdco S.à r.l. ("**Franc Holdco**"), (2) Frankie Bidco S.à r.l. ("**Franc Bidco**" or the "**Franc Original Borrower**"), (3) the Originator and (4) CBRE Loan Servicing Limited as facility agent and security agent (in such capacities, the "**Borrower Facility Agent**" and the "**Borrower Security Agent**") as amended on 20 June 2014 (the "**Franc Loan Agreement**").

On 20 September 2013 (the "**Franc Utilisation Date**"), the Franc Original Borrower borrowed €78,437,500 under the Franc Loan Agreement (the "**Franc Loan**"). The Franc Loan was applied by the Franc Original Borrower in (a) on lending amounts to Degi Franciacorta S.r.l. (subsequently re-named as Franciacorta Retail S.r.l.) (the "**Franc Target**") to be applied by it in refinancing its existing financial indebtedness of the Franc Target and (b) the payment of Franc Financing Costs. Shortly after the acquisition of the shares in the Franc Target by Franc Bidco, the Franc Loan was novated from the Franc Original Borrower to the Franc Target and the Franc Original Borrower and Franc Holdco remained party to the Franc Loan Agreement as guarantors. Upon the novation of the Franc Loan to the Franc Target, the Franc Target acceded to the Franc Loan Agreement as a borrower (the "**Franc Borrower**") and a guarantor.

B Terms of the Franc Loan

The Franc Loan is documented in the Franc Loan Agreement which is governed by English law. A summary of the principal terms of the Franc Loan Agreement is set out below. The Franc Loan provides for the appointment of CBRE Loan Servicing Limited as the Borrower Facility Agent on behalf of the lenders under the Franc Loan Agreement and the Borrower Security Agent on behalf of the Franc Finance Parties.

For the purposes of the Franc Loan Documents (and the Vanguard Loan Documents, where applicable):

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Milan and Luxembourg, and which is a Target Day.

"**Franc Accounting Principles**" means in relation to each Franc Obligor, IFRS or the accounting standards generally accepted in the jurisdiction of incorporation of that Franc Obligor.

"**Franc Acquisition**" means the acquisition by the Franc Original Borrower of the quota representing the entire issued share capital in the Franc Target.

"**Franc Acquisition Document**" each of the Franc Acquisition Agreement and each other document entered into by a Franc Obligor and the Franc Vendor in connection with the Franc Acquisition.

"**Franc Affiliate**" means, in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company.

"**Franc Approved Asset Manager**" means:

(a) Franc Investor Affiliate; or

(b) any other person as may be agreed by Franc Bidco and the Borrower Facility Agent.

"**Franc Approved Managing Agent**" means:

(a) Franc Investor Affiliate; or

(b) any other person as may be agreed by Franc Bidco and the Borrower Facility Agent.

"**Franc Asset Management Agreement**" means the Franc Initial Management Agreement and each Franc New Asset Management Agreement, as the case may be.

"**Franc Asset Manager**" means each of, from time to time:

(a) the Franc Initial Asset Manager; and

(b) a Franc Approved Asset Manager,

provided that there may be multiple Franc Asset Managers in respect of different responsibilities in relation to the Franc Property at any time.

"**Franc Borrower Delegate**" means any delegate, agent, attorney, manager or co-trustee appointed by the Borrower Facility Agent or the Borrower Security Agent in each case under the Franc Loan Agreement.

"**Franc Borrower Receiver**" means a receiver, manager or receiver and manager or administrative receiver of the whole or any part of the Franc Charged Property subject to Franc Loan Security governed by a law other than Italian law.

"**Franc Break Costs**" means:

(a) in respect of any prepayment which is made in the period between (but excluding) a Loan Payment Date and the last day of the then current Loan Interest Period, the amount (if any) by which:

(i) the interest (including the applicable Franc Margin on any portion of the Franc Loans subject to a Franc Securitisation at such time but excluding Franc Margin on any portion of the Franc Loans not subject to a Franc Securitisation at such time) which a lender under the Franc Loan Agreement should have received for the period from the immediately subsequent Loan Interest Period Date to the last day of the Loan Interest Period commencing on that immediately subsequent Loan Interest Period Date in respect of that Franc Loan, had the principal amount not been received;

exceeds:

(ii) the amount which that lender would be able to obtain by placing an amount equal to the principal amount received by it on deposit with a leading bank in the London interbank market for a period starting on the immediately subsequent Loan Interest Period Date and ending on the last day of the Loan Interest Period commencing on that immediately subsequent Loan Interest Period Date; and

(b) otherwise, the amount (if any) by which:

(i) the interest (including the applicable Franc Margin on any portion of the Franc Loans subject to a Franc Securitisation at such time but excluding Franc Margin on any portion of the Franc Loans not subject to a Franc Securitisation at such time) which a lender under the Franc Loan Agreement should have received for the period from the date of receipt of all or any part of its participation in a Franc Loan or Franc Unpaid Sum to the last day of the current Interest Period in respect of that Franc Loan or Franc Unpaid Sum, had the principal amount or Franc Unpaid Sum received been paid on the last day of that Loan Interest Period;

exceeds:

(ii) the amount which that lender would be able to obtain by placing an amount equal to the principal amount or Franc Unpaid Sum received by it on deposit with a leading bank in

the London interbank market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Loan Interest Period.

"**Franc Capex Project**" means:

(a) effecting, carrying out or permitting any demolition, reconstruction, redevelopment or rebuilding of or any structural alteration to the Franc Property (including, for the avoidance of doubt, in respect of any tenant's interest under a Franc Occupational Lease); or

(b) incurring capital expenditure in respect of works of alteration, addition, maintenance, repair, improvement, refurbishment and/or extension to the Franc Property.

"**Franc Cash Trap Event**" means, on any Loan Payment Date:

(a) that is a Franc LTV Test Date, the Franc LTV Ratio is greater than 72.5%; or

(b) that the Franc ICR for the Franc Relevant Period ending on the Franc Test Date falling immediately prior to that Loan Payment Date was less than 2.00:1.

"**Franc Charged Property**" means all of the assets of the members of the Franc Group which from time to time are, or are expressed to be, the subject of the Franc Loan Security.

"**Franc Closing Date**" means the date on which completion of the Franc Acquisition occurred, being 20 September 2013.

"**Franc Closing Date Balance Sheet**" means the balance sheet of the Franc Target as of the Franc Closing Date which was required to be delivered by the Franc Original Borrower to the vendor of the Franc Target pursuant to the Franc Acquisition Agreement.

"**Franc Commitments**" means (a) in relation to the Originator, €78,437,500 and the amount of any other Franc Commitment transferred to it under the Franc Loan Agreement; and (b) in relation to any other lender, the amount of any Franc Commitment transferred to it under the Franc Loan Agreement, to the extent not cancelled, reduced or transferred by it under the Franc Loan Agreement or deemed to be reduced to zero in accordance with the terms of the Franc Loan Agreement. The Franc Loan Agreement provides that (unless otherwise agreed by the Borrower Facility Agent (acting on the instructions of the Franc Majority Lenders)) the Franc Commitments held by a Franc Restricted Lender or in respect of which a Franc Restricted Lender has an interest as a result of a sub-participation or any other agreement or arrangement having an economic effect substantially similar to a sub-participation, shall be deemed to be zero for the purposes of ascertaining the Franc Majority Lenders or whether any given percentage of the Franc Commitments or loans has been obtained to approve any request for a consent, waiver, amendment or other vote under the Franc Loan Documents.

"**Franc Corporate Expenses**" means, in relation to each Franc Obligor, all day-to-day corporate operating expenditure of those entities including, without limitation, audit and accountancy, legal, registration, trustee, manager, property advisers, tax advisers and domiciliation fees and expenses and expenditure relating to advertising, marketing, payroll and related taxes, computer processing charges, operational equipment and other finance lease payments (but excluding, for the avoidance of doubt, any property or asset management fees (howsoever described) and any Franc Rent Collection Fees).

"**Franc Counterparty**" means any bank or financial institution party to a Franc Hedging Agreement.

"**Franc Debt Purchase Transaction**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Franc Commitment or amount outstanding under the Franc Loan Agreement.

"**Franc Default**" means a Franc Loan Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Franc Loan Documents or any combination of any of the foregoing) be a Franc Loan Event of Default.

"**Franc Disposal Costs**" has the meaning given to it in the definition of Franc Property Disposal Proceeds.

"**Franc Disposal Taxes**" has the meaning given to it in the definition of Franc Property Disposal Proceeds.

"**Franc Duty of Care Agreement**" means each agreement executed by a managing agent or an asset manager in favour of the Borrower Security Agent and/or the Borrower Facility Agent in relation to the management of all or any part of the Franc Property in the agreed form or otherwise in a form and substance satisfactory to the Borrower Facility Agent (acting reasonably).

"**Franc Environmental Permits**" means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Franc Environmental Law for the operation of the business of any Franc Obligor conducted on or from the Franc Property.

"**Franc Escrow Agreement**" means each Franc Acquisition Document which is an escrow agreement.

"**Franc Excluded Recovery Proceeds**" means any proceeds of a Franc Recovery Claim which Franc Bidco notifies the Borrower Facility Agent are, or are to be, applied:

(a) to satisfy (or reimburse a member of the Franc Group which has discharged) any liability, charge or claim upon a member of the Franc Group by a person which is not a member of the Franc Group; and/or

(b) in the replacement, reinstatement and/or repair of assets or property of members of the Franc Group which have been lost, destroyed or damaged,

in each case in relation to that Franc Recovery Claim.

"**Franc Existing Accounts**" means each of the bank accounts maintained in the name of the Franc Target as at the Franc Utilisation Date.

"**Franc Finance Party**" means each of the Borrower Facility Agent, any lender under the Franc Loan Agreement, Goldman Sachs International as mandated lead arranger, the Borrower Security Agent and any Franc New Finance Party.

"**Franc Financial Indebtedness**" means any indebtedness for or in respect of:

(a) monies borrowed or raised and debit balances at banks or other financial institutions;

(b) any amount raised by acceptance under any acceptance credit facility or by a bill discounting or factoring credit facility (or dematerialised equivalent);

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract or other agreement which would, in accordance with the Franc Accounting Principles, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non recourse basis);

(f) any treasury transaction (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that treasury transaction, that amount) at the time of calculation shall be taken into account);

(g) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount raised by the issue of redeemable shares;

(i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than one hundred and eighty (180) days past the period customarily allowed by the relevant supplier to its customers generally for deferred payment;

(j) any arrangement pursuant to which an asset sold or otherwise disposed of by that person may be re-acquired by a Franc Obligor (whether following the exercise of an option or otherwise);

(k) any amount raised under any other transaction (including any forward sale or purchase agreement sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and

(l) (without double counting) the amount of any liability in respect of any guarantee or indemnity or similar assurance loss for any of the items referred to in the preceding paragraphs of this definition and any agreement to maintain the solvency of any person whether by investing in, lending to or purchasing the assets of such person.

"**Franc Financial Quarter**" means each financial quarter of the Franc Group being each three (3) Month period expiring on 31 March, 30 June, 30 September and 31 December in each year.

"**Franc Financial Year**" means each financial year of the Franc Group being each twelve (12) Month period expiring on 31 December in each year.

"**Franc Financing Costs**" means all fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by a member of the Franc Group directly or indirectly in connection with the Franc Loan Documents.

"**Franc General Account**" means each of the Franc Borrower General Account, the Franc Holdco General Account and the Franc Bidco General Account.

"**Franc Group**" means Franc Holdco and each of its subsidiaries from time to time.

"**Franc Guarantor**" means Franc Bidco, Franc Holdco and the Franc Borrower (following its accession) to the Franc Loan Agreement as a guarantor.

"**Franc Hedging Agreement**" means the Franc Borrower Cap Agreement and each other document entered into by the Franc Borrower evidencing or relating to any interest or currency swap, cap, floor, collar or option transaction or any other treasury transaction or any combination of the same or any other transaction entered into in connection with protection against or benefit from fluctuation in interest or currency rates or in any other rate, index or return howsoever described.

"**Franc Initial Asset Manager**" means Added Value Management S.R.L.

"**Franc Initial Management Agreement**" means the agreement between the Franc Target and the Franc Initial Managing Agent in relation to the management and maintenance of the Franc Property delivered to the Borrower Facility Agent on the Franc Closing Date.

"**Franc Initial Managing Agent**" means Added Value Management S.R.L.

"**Franc Insurance Policy**" means any policy of insurance or assurance in which a Franc Obligor may at any time have an interest entered into in accordance with the Franc Loan Agreement.

"**Franc Insurance Proceeds Expenses**" means any reasonable fees, costs and expenses in relation to any insurance claim which are incurred by any member of the Franc Group to persons who are not members of the Franc Group.

"**Franc Investor Affiliate**" means a Franc Investor and The Blackstone Group L.P., each of their respective Franc Affiliates, any trust of which either of them or any of their respective Franc Affiliates is a trustee, any partnership of which either of them or any of their respective Franc Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, either of them or any of their respective Franc Affiliates provided that any trust, fund or other entity which has been established for at least six (6) months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by a Franc Investor or The Blackstone Group L.P. or any of their respective Franc Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Franc Investor Affiliate.

"**Franc Investor**" means any fund or other entity managed, advised and/or controlled by The Blackstone Group L.P. and/or any of its Franc Affiliates.

"**Franc Investor Debt**" means any Franc Financial Indebtedness owed by Franc Holdco to any of its holding companies provided that (unless that Borrower Facility Agent (acting on the instructions of the Franc Majority Lenders) agrees otherwise in writing) such Franc Financial Indebtedness is subordinated to the Franc Secured Liabilities under the terms of the Franc Subordination Agreement.

"**Franc Irrecoverable Service Charge Expenses**" means any amount:

(a) in respect of any management, maintenance, insurance, repair or similar expense or in respect of the provision of services relating to any Franc Property to the extent that such amount is not recoverable from a tenant; or

(b) which any Franc Obligor is obliged to discharge in respect of any unlet part of any Franc Property or in respect of any shortfall in Franc Service Charge Proceeds,

other than, in each case, any amount in respect of asset management fees, Franc Property Taxes, Franc Registration Taxes, Franc Rent Collection Fees or any corporation or other tax on income or profits.

"**Franc Lease**" means any present or future agreement to let (*locazione*) sub-lease (*sub-locazione*) all or any part of the Franc Property (including, for the avoidance of any doubt, any Franc Operating Lease).

"**Franc Legal Due Diligence Report**" means the legal executive summary prepared by Legance relating to the Franc Target dated 17 July 2013.

"**Franc Loan Document**" means each of the Franc Loan Agreement, any Franc Loan Security Agreement, the Franc Subordination Agreement, the accession letter pursuant to which the Franc Target acceded to the Franc Loan Agreement as a borrower and a guarantor, each fee letter, each Franc Duty of Care Agreement, any utilisation request and any other document designated as a "Loan Document" by the Borrower Facility Agent and Franc Bidco (including certain other side agreements and letters entered into on or prior to the Franc Closing Date).

"**Franc Loan Security**" means the Franc Security created or expressed to be created pursuant to the Franc Loan Security Agreements.

"**Franc Loan Security Agreements**" means each of (a) the security agreements described in "*The Franc Loan Security*" below pursuant to which a Franc Obligor has created Franc Security to secure the obligations of all or some of the Franc Obligors under the Franc Loan Documents (b) any other document entered into at any time by any Franc Obligor creating any guarantee, indemnity, Franc Security or other assurance against financial loss in favour of any of the Franc Finance Parties as Franc Security for any of the Franc Secured Liabilities and (c) any Franc Security granted under any covenant for further assurance in any of those documents.

"**Franc Loan Transaction Documents**" means each of the following: (a) each of the Franc Loan Documents; (b) each of the acquisition documents entered into in connection with the Franc Acquisition; (c) each Franc Occupational Lease and each agreement to grant a Franc Occupational Lease; (d) each property management agreement or asset management agreement entered into by a Franc Obligor and permitted by the Franc Loan Agreement; (e) each other document designated as such by Franc Bidco and the Borrower Facility Agent.

"**Franc Majority Lenders**" means:

(a) if there is no Franc Loan outstanding, a lender or lenders under the Franc Loan Agreement whose Franc Commitments aggregate more than 66⅔ per cent. of the Franc Total Commitments (or, if the Franc Total Commitments have been reduced to zero, aggregated more than 66⅔ per cent. of the Franc Total Commitments immediately prior to that reduction);

(b) at any other time, a lender or lenders under the Franc Loan Agreement whose participations in the Franc Loans then outstanding aggregate more than 66⅔ per cent of all the Franc Loans then outstanding.

"**Franc Managing Agent**" means each of, from time to time:

(a) the Franc Initial Managing Agent; and

(b) an Franc Approved Managing Agent,

provided that there may be multiple Franc Managing Agents in respect of different responsibilities in relation to the Franc Property at any time.

"**Franc Mandated Lead Arranger**" means Goldman Sachs International.

"**Franc Margin**" means 4.50 per cent. per annum.

"**Franc Material Adverse Effect**" means a material adverse effect on:

(a) the consolidated business, assets or financial condition of the Franc Obligors taken as a whole;

(b) the ability of the Franc Obligors (taken together) to perform their payment obligations under the Franc Loan Documents; or

(c) subject to certain legal reservations and the perfection requirements, the validity or enforceability of, or the effectiveness or ranking of, the Franc Loan Security.

"**Franc Net Rental Income**" means Franc Rental Income in respect of the Franc Property after deducting (without double counting):

(a) all Franc Service Charge Proceeds in relation to the Franc Property;

(b) any sum representing any VAT chargeable in respect of Franc Rental Income;

(c) Franc Irrecoverable Service Charge Expenses in relation to the Franc Property to the extent withdrawn from the Borrower Rental Income Account as described in "*Franc Borrower Rental Income Account*" below;

(d) any contribution made by a tenant towards Franc Registration Taxes;

(e) Franc Property Taxes; and

(f) Franc Rent Collection Fees.

"**Franc New Asset Management Agreement**" means each management agreement between any Franc Obligor and a Franc Asset Manager which replaces the Franc Initial Management Agreement or any other Franc New Asset Management Agreement in relation to the asset management of the Franc Property:

(a) in the agreed form;

(b) the material terms of which are consistent with those of the existing Franc Asset Management Agreement it replaces; or

(c) which is otherwise in form and substance satisfactory to the Borrower Facility Agent (acting reasonably).

"**Franc New Finance Party**" means any entity that a lender assigns any of its rights and benefits under the Franc Loan Agreement to in accordance with the terms of the Franc Loan Agreement.

"**Franc New Property Management Agreement**" means each management agreement between any Franc Obligor and a Franc Managing Agent in relation to the management and maintenance of the Franc Property in relation to the Franc Property:

(a) in the agreed form;

(b) the material terms of which are consistent with those of the existing Franc Property Management Agreement it replaces; or

(c) which is otherwise in form and substance satisfactory to the Borrower Facility Agent (acting reasonably).

"**Franc Obligor**" means each of the Franc Borrower and the Franc Guarantors.

"**Franc Occupational Lease**" means any Franc Lease to which Franc Target's interest in the Franc Property may be subject from time to time.

"**Franc Operating Lease**" means any lease (*affitto d'azienda*) pursuant to Article 2562 of the Italian Civil Code, together with any renewal of either such lease, in relation to all or any part of any Franc Property entered into by and between the Franc Target and any tenant from time to time.

"**Franc Permitted Capex Project**" means any Franc Capex Project which:

(a) the entire cost of is recoverable from the tenants of the Franc Property by way of Franc Service Charge Proceeds;

(b) can be and is (when required to be funded) funded from amounts standing to the credit of the Franc General Account or which is required to be undertaken by law or by the terms of a Franc Occupational Lease provided that the aggregate cost of such capital expenditure project do not exceed €3,000,000 in any Franc Financial Year; or

(c) is permitted to be undertaken by a tenant under the terms of the relevant Franc Occupational Lease and is to be taken at the cost of that tenant.

"**Franc Permitted Disposal**" means:

(a) a disposal of non-real estate assets which are either:

(i) no longer required for the operation of the business of the relevant Franc Obligor;

(ii) obsolete for the purpose for which such assets are normally used where such disposal is for cash; or

(iii) made in the ordinary course of trading of any asset;

(b) any disposal of any asset (other than of the Franc Property or of the shares or quota of a Franc Obligor) made in order to comply with an order of any agency of state, authority, other regulatory body or any applicable law or regulation;

(c) any disposal of part of the Franc Property made in order to comply with an order of any agency of state, authority, other regulatory body or any applicable law or regulation provided that the Franc Property Disposal Proceeds relating to such disposal are paid upon receipt by the relevant Franc Obligor into the Franc Borrower Prepayment Account;

(d) expenditure of cash for purposes in compliance with the Franc Loan Documents;

(e) any disposal pursuant to a Franc Occupational Lease existing on the date of the Franc Loan or permitted by the Franc Loan Agreement;

(f) a disposal of an asset (other than the Franc Property or the shares or quota of a Franc Obligor) made with the prior written consent of the Franc Majority Lenders;

(g) a disposal arising as a result of Franc Permitted Security;

(h) any disposal provided that the aggregate outstanding principal amount of the Franc Loans are repaid and all other Franc Secured Liabilities are irrevocably discharged in full on or prior to completion of such disposal;

(i) a Franc Permitted Plot III Disposal; and

(j) any other disposals where the aggregate value of the assets so disposed of by members of the Franc Group (other than as permitted as described in paragraphs (a) to (h) above) in any Franc Financial Year does not exceed €50,000 (or its currency equivalent).

"**Franc Permitted Distribution**" means any distribution by any Franc Obligor provided that such distribution:

(a) is made when no Franc Default is continuing;

(b) would not result in a Franc Default occurring;

(c) if it is a distribution of cash, is made out of monies standing to the credit of any Franc General Account (other than any monies standing to the credit of any Franc General Account which have been transferred to a Franc General Account for any specific purpose in accordance with the Franc Loan Agreement); and

(d) if it is a distribution other than of cash, arises as a result of the declaration by the relevant Franc Obligor of a dividend which solely creates a liability owed by that Franc Obligor to its direct holding company provided that such liability also constitutes a subordinated loan.

"**Franc Permitted Financial Indebtedness**" means any Franc Financial Indebtedness:

(a) arising under any Franc Loan Document;

(b) arising under any permitted treasury transaction;

(c) that is Franc Investor Debt;

(d) arising under any Franc Permitted Loan;

(e) funded by BRE/Europe 6NQ S.à r.l. in the amount of €5,000,000 to Franc Bidco by way of funding for the payment of the deposit payable under the Franc Acquisition Agreement provided that all amounts owed by Franc Bidco to BRE/Europe 6NQ S.à r.l. were discharged on or before the Franc Closing Date; or

(f) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed €250,000 in aggregate at any time (or, if applicable, the equivalent in another currency).

"**Franc Permitted Guarantee**" means:

(a) any guarantee under any Franc Loan Document;

(b) any guarantee given in the ordinary course of business not exceeding (when aggregated with the maximum liability under any other guarantee which is a Franc Permitted Guarantee for the purposes of this paragraph (b)), €250,000 at any time;

(c) any guarantee of Franc Permitted Financial Indebtedness falling within paragraph (f) of the definition of Franc Permitted Financial Indebtedness; or

(d) any guarantee given in respect of the netting or set off arrangements permitted pursuant to paragraph (d) of the definition of Franc Permitted Security.

"**Franc Permitted Letting Activity**" means:

(a) the grant (whether by grant of rights, lease, licence or otherwise) of rights of occupation and/or use in respect of any car parking spaces within the Franc Property;

(b) made with the consent of the Franc Majority Lenders (such consent not to be unreasonably withheld or delayed);

(c) the entry into of an agreement to grant a Franc Lease, the grant of a new Franc Occupational Lease or the consent to any rent review or sub-letting under any Franc Occupational Lease, if such Franc Letting Activity is made on arms' length terms and, in the case of the entry into of an agreement to grant a Franc Lease or the grant of a new Franc Occupational Lease, the relevant agreement to grant a Franc Lease or Franc Occupational Lease:

(i) includes an undertaking by the relevant lessee that upon expiration of the relevant lease term it will return the relevant leased premises without employees or shall pay an indemnity to the Franc Target in respect of each employee who is returned to a Franc Obligor;

(ii) includes a provision confirming that any debts assumed by the relevant lessee during the term of such agreement shall not be transferred to the Franc Target upon the expiration of the lease term; and

(iii) complies with the requirements (if any) of the agreement dated 16 May 2011 between the Franc Target, Ascom Brescia and Confesercenti Provinciale di Brescia and others.

(d) the acceptance or agreement required to be given by applicable law or under the terms of any Franc Occupational Lease to the exercise by the tenant under that Franc Occupational Lease of any option or power to break, determine or extend the term of that Franc Occupational Lease;

(e) the exercise by a Franc Obligor of any right to forfeit or exercise any right of re-entry in respect of, or exercise any option or power to break or determine any Franc Occupational Lease in circumstances where the tenant of the relevant Franc Occupational Lease is in breach of their obligations under the relevant Franc Occupational Lease to pay rent;

(f) any consent to any change of use in respect of any tenant's interest under a Franc Occupational Lease provided that the aggregate net lettable area in respect of which a change of use is permitted during the term of the Franc Loan as described in this paragraph (f) and in paragraph (b) of "*Planning*" below does not exceed one thousand (1000) square metres in aggregate (without double-counting);

(g) each of:

(i) a waiver, release or amendment of any term of any Franc Occupational Lease or the variation of any obligations under, or the terms of, any Franc Occupational Lease;

(ii) the acceptance of, or agreement to permit, the surrender of all or any part of any Franc Occupational Lease (or acceptance or agreement (other than any acceptance of

agreement required to be given by applicable law or under the terms of any Franc Occupational Lease) to the exercise of any option or power to break, determine or extend the term of that Franc Occupational Lease);

(iii) the exercise by a Franc Obligor of any right to forfeit or exercise any right of re-entry in respect of, or exercise any option or power to break or determine any Franc Occupational Lease in circumstances where the tenant of the relevant Franc Occupational Lease is not in breach of their obligations under the relevant Franc Occupational Lease to pay rent; or

(iv) the consent to any assignment under any Franc Occupational Lease,

if such Franc Letting Activity is not projected to result:

(A) (when aggregated with each other Franc Letting Activity described in this paragraph (g) contracted in the calendar year during which such Franc Letting Activity is contracted) in a reduction of more than €1,152,798 of Franc Net Rental Income receivable by the Franc Obligors for that calendar year; or

(B) (when aggregated with each other Franc Letting Activity falling described in this paragraph (g) contracted during the life of the facilities made available under the Franc Loan Agreement) in a reduction of Franc Net Rental Income receivable by the Franc Obligors in any calendar year of more than €3,458,393 from that which would have been receivable if each Franc Letting Activity falling under this paragraph (g) contracted during the life of the Facilities had not been contracted.

"**Franc Permitted Loan**" means:

(a) credit balances held in any Franc Borrower Account or Franc General Account;

(b) any loan arising pursuant to a Franc Permitted Distribution; and

(c) any subordinated loan.

"**Franc Permitted Plot III Disposal**" means any disposal of the Plot III Land provided that:

(a) such disposal is made to a person that is not a member of the Franc Group provided that such person is an entity controlled by a Franc Investor Affiliate;

(b) such disposal is made on arm's length terms; and

(c) the requirements described in "*Plot III Disposals*" below are met.

"**Franc Permitted Security**" means:

(a) any Franc Security arising under the Franc Loan Documents;

(b) any Franc Security arising by operation of law and in the ordinary course of trading and not as a result or any default or omission by any member of the group provided that it is discharged within sixty (60) days of coming into existence;

(c) any Franc Security arising by operation of law and in respect of Taxes being contested in good faith or required to be created in favour of any Tax or other government authority in order to appeal or otherwise challenge Tax assessments and/or claims in good faith;

(d) any netting or set off arrangement entered into by any Franc Obligor in the ordinary course of its banking arrangements but only so long as (i) such arrangement does not permit credit balances of any Franc Obligor to be netted or set off against debit balances of persons who are not Franc Obligors and (ii) such arrangement does not give rise to other Franc Security over the assets of Franc Obligors in support of liabilities of persons who are not Franc Obligors;

(e) any Franc Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Franc Obligor in the ordinary course of trading or in relation to any Franc Capex Project permitted by the terms of the Franc Loan Documents and on the supplier's standard or usual terms and not arising as a result of any default or omission by a Franc Obligor; and

(f) any Franc Security that is released on or prior to the Franc Closing Date.

"**Franc Pro Forma Financial Statements**" has the meaning given to it in the Franc Acquisition Agreement.

"**Franc Property Disposal Proceeds**" means all sums paid or payable or any other consideration given or receivable by any member of the Franc Group for any disposal made by any member of the Franc Group of all or part of the Franc Property (other than a disposal of the Plot III Land made pursuant to a Franc Permitted Plot III Disposal) or any interest in any Franc Obligor including (without double counting):

(a) all compensation and damages received for any use or disturbance, blight or compulsory purchase;

(b) any sums paid or payable by any purchaser or other person in respect of any apportionment of any Franc Rental Income or other sum upon such a disposal;

(c) the sum of any deposit paid by any purchaser upon exchange of contracts;

(d) in the case of a disposal of shares, quotas or other equity interests in a member of the Franc Group which owns, or whose subsidiary or subsidiaries own(s), all or any part of any Franc Property, an amount equal to any indebtedness owed by that member of the Franc Group and its Subsidiaries required to be repaid in connection with or as a direct or indirect result of that disposal; and

(e) any amount in respect of or which represents VAT chargeable in respect of such disposal,

after deducting:

(i) an amount equal to any reasonable expenses which are incurred by any member of the Franc Group with respect to that disposal to persons who are not members of the Franc Group ("**Franc Disposal Costs**"); and

(ii) an amount equal to any Tax incurred, or that may be incurred, and required to be paid by any member of the Franc Group in connection with that disposal (as reasonably determined by the relevant member of the Franc Group, on the basis of existing rates and taking account of any available credit, deduction or allowance) ("**Franc Disposal Taxes**").

"**Franc Property Management Agreement**" means the Franc Initial Management Agreement and each Franc New Property Management Agreement, as the case may be.

"**Franc Property Taxes**" means any *Imposta Municipale propria* Tax payable by the Franc Target to the relevant municipal authority in relation to the Franc Property (or any equivalent or replacement Tax from time to time).

"**Franc Recoverable Service Charge Project**" means a Franc Capex Project if the entire cost of such Franc Capex Project is recoverable from the tenants of the Franc Property by way of Franc Service Charge Proceeds.

"**Franc Recovery Proceeds**" means the proceeds of a claim (a "**Franc Recovery Claim**") against the Franc Vendor or any of its Franc Affiliates (or any employee, officer or adviser) in relation to a Franc Acquisition Document or against the provider of any Franc Report (in its capacity as a provider of that Franc Report) or against any counterparty to a construction contract or collateral warranty with, or benefitting, a Franc Obligor (including, for the avoidance of doubt, any claim in respect of, or any amount received by a Franc Obligor pursuant to (i) the terms of any Franc Escrow Agreement or (ii) certain provisions of the Franc Acquisition Agreement (excluding any sums received or receivable by a Franc

Obligor pursuant to the Franc Acquisition Agreement as a result of the cash and cash equivalents of the Franc Target identified in the Franc Closing Date Balance Sheet or otherwise determined in accordance with the Franc Acquisition Agreement being less than those identified in the Franc Pro Forma Financial Statements) in circumstances where the relevant amounts received or receivable by a Franc Obligor pursuant to those provisions are not required to meet a liability of the Franc Target) except for Franc Excluded Recovery Proceeds, and after deducting:

(a) any reasonable fees, costs and expenses which are incurred by any member of the Franc Group to persons who are not members of the Franc Group ("**Franc Recovery Proceeds Expenses**"); and

(b) any Tax incurred and required to be paid by a member of the Franc Group (on the basis of existing rates and taking into account any available credit, deduction or allowance) ("**Franc Recovery Proceeds Taxes**"),

in each case in relation to that Franc Recovery Claim.

"**Franc Recovery Proceeds Expenses**" has the meaning given to such term in the definition of "Franc Recovery Proceeds".

"**Franc Recovery Proceeds Taxes**" has the meaning given to such term in the definition of "Franc Recovery Proceeds".

"**Franc Registration Taxes**" means any Tax or other amount required to be paid to a Tax Authority in respect of the grant, entry into or amendment of any Franc Occupational Lease.

"**Franc Rental Income**" means all sums paid or payable to or for the benefit of any Franc Obligor arising from the letting, use or occupation of all or any part of the Franc Property.

"**Franc Rent Collection Fees**" means rent collection fees payable by the Franc Target to the managing agent appointed in accordance with the Franc Loan Agreement in relation to the Franc Property.

"**Franc Reports**" means:

(a) the notarial report dated 1 July 2013 relating to the Franc Property (the "**Franc Notary Report**");

(b) the Franc Legal Due Diligence Report;

(c) the financial due diligence report dated 31 July 2013 relating to the Franc Target prepared by PricewaterhouseCoopers LLP;

(d) the tax due diligence report dated 19 July 2013 relating to the Franc Target prepared by Studio Pirola;

(e) the technical due diligence report dated 30 May 2013 relating to the Franc Property prepared by CB Richard Ellis;

(f) the environmental due diligence report dated May 2013 relating to the Franc Property prepared by CB Richard Ellis;

(g) the valuation report dated on or about the date of the Franc Loan Agreement prepared by Cushman & Wakefield in relation to the Franc Target's interest in the Franc Property (the "**Franc Initial Valuation**"); and

(h) tax structuring report dated on or about the date of this Agreement relating to the acquisition of the Franc Target prepared by PricewaterhouseCoopers LLP**.**

"**Franc Requisite Rating**" means, the rating of long or short term (as appropriate) unsecured debt instruments in issue by a person (which are neither subordinated nor guaranteed) which meet the following requirements:

(a) in relation to a bank or financial institution at which a Franc Borrower Account, the Franc Holdco General Account or the Franc Bidco General Account is held:

(i) short term instruments with the following ratings: F1 (or better) by Fitch and A-1 (or better) by S&P; and

(ii) long term instruments with the following ratings: A (or better) by Fitch and A (or better) by S&P,

(provided that for the purposes of determining the Franc Requisite Rating of each initial account bank, the ratings held by ING Bank N.V. shall be used);

(b) in relation to any insurance company or underwriter, long term instruments with:

(i) where such insurance company or underwriter is rated by both S&P and by Fitch, a rating of A (or better) by S&P and A (or better) by Fitch; and

(ii) where such insurance company or underwriter is not rated by both S&P and by Fitch, a rating of A (or better) by S&P and one of the following ratings: A (or better) by AM Best, A (or better) by Fitch, A2 (or better) by Moody's; and

(c) in relation to a Franc Counterparty:

(i) long term instruments with the following ratings: A (or better) by Fitch and A (or better) by S&P; and

(ii) to the extent that the relevant Franc Counterparty has a short term rating from Fitch, a short term rating from Fitch of F2 (or better); and

(iii) to the extent that the relevant Franc Counterparty has a short term rating from S&P, a short term rating from S&P of A-1 (or better).

"**Franc Restricted Lender**" an Franc Investor Affiliate for so long as it:

(a) beneficially owns a Franc Commitment or loan under the Franc Loan Agreement (or beneficially owns all or part of the share capital of a company that is a lender under the Franc Loan Agreement or a party to a Franc Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Franc Debt Purchase Transaction); or

(b) has entered into a sub-participation agreement relating to a Franc Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated.

"**Franc Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by a Franc Obligor or by some other person) of each Franc Obligor (or any of them) to the Franc Finance Parties under each of the Franc Loan Documents.

"**Franc Securitisation**" means any securitisation or transaction of broadly equivalent economic effect relating to, or using as a reference, the whole or part of the Franc Loans (whether alone or in conjunction with other loans) through the issue of notes on the capital markets.

"**Franc Security**" means a mortgage, charge, pledge, lien or other security interest (including any *diritto reale di garanzia*, as such term is defined under Italian law) securing any obligation of any person or any easement or other agreement or arrangement having a similar effect.

"**Franc Service Charge Expenses**" means:

(a) any expense or liability incurred by a tenant under a Franc Occupational Lease:

(i) by way of reimbursement of expenses incurred, or on account of expenses to be incurred, by or on behalf of a Franc Obligor in the management, maintenance and repair or similar obligation of, or the provision of services specified in that Franc Occupational Lease in

respect of, the Franc Property, the payment of insurance premiums for the Franc Property and the payment or reimbursement of marketing expenses in respect of the Franc Property; or

(ii) to, or for expenses incurred by or on behalf of, a Franc Obligor for a breach of covenant where such amount is or is to be applied by that Franc Obligor in remedying such breach or discharging such expenses;

(b) any contribution (not including any amount or part of any amount which represents VAT chargeable in respect of such contribution) to a sinking fund paid by a tenant under a Franc Occupational Lease; and

(c) any contribution paid by a tenant to ground rent (or VAT chargeable in respect of ground rent) due under any Franc Lease out of which a Franc Obligor derives its interest in the Franc Property,

(d) other than, in each case, any amount in respect of asset management fees, Franc Property Taxes, Franc Registration Taxes, Franc Rent Collection Fees or any corporation or other tax on income or profits.

"**Franc Service Charge Proceeds**" means any payment for Franc Service Charge Expenses.

"**Franc Total Commitments**" means the aggregate of the Franc Commitments, being €78,437,500 as at the date of the Franc Loan Agreement.

"**Franc Unpaid Sum**" means any sum due and payable but unpaid by a Franc Obligor under the Franc Loan Documents.

"**Franc Utilisation**" means a utilisation of the facility made available under the Franc Loan Agreement.

"**Franc Valuation**" means:

(a) the Franc Initial Valuation; and

(b) subject to the terms of the Franc Loan Agreement described in "*Valuations*" below, any subsequent valuation instructed by and in form and substance satisfactory to the Borrower Facility Agent and prepared and issued by a Franc Valuer and addressed to, and/or capable of being relied upon by, amongst others, each Franc Finance Party valuing a Franc Obligor's interests in the Franc Property (excluding, for this purpose, the part of the Franc Property then owned by it that constitutes the Plot III Land) and which is carried out on a "market value" basis (as defined in the then current Statements of Assets Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors' (or its successors).

"**Franc Valuer**" means:

(a) each of Cushman & Wakefield, CB Richard Ellis and Jones Lang LaSalle;

(b) if no Franc Loan Event of Default is continuing, any other firm of chartered surveyors as may be agreed from time to time between Franc Holdco and the Borrower Facility Agent (each acting reasonably); and

(c) if a Franc Loan Event of Default is continuing, any other firm of chartered surveyors as may be appointed by the Borrower Facility Agent,

in each case as appointed by the Borrower Facility Agent (for and on behalf of the lenders under the Franc Loan Agreement) to act as valuer for the purposes of the Franc Loan Agreement.

"**Franc VAT**" means:

(d) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations); and

(e) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Loan EURIBOR**" means, in relation to any Franc Loan, Vanguard Loan, Franc Unpaid Sum or Vanguard Unpaid Sum on which interest for a given period is to accrue:

(a) the applicable Screen Rate;

(b) (if no Screen Rate is available for euro for the Loan Interest Period of the relevant Loan or Unpaid Sum), the arithmetic mean of the rates (rounded upwards to four decimal places with the mid-point rounded up) as supplied to the Borrower Facility Agent under the relevant Loan Agreement at its request quoted by the relevant Reference Banks,

at or about 11.00 a.m. Brussels time on the relevant Loan Quotation Day for the offering of deposits in euro and for a period comparable to the Loan Interest Period for that Loan or Unpaid Sum to leading banks in the European interbank market and, if any such rate is below zero, Loan EURIBOR will be deemed to be zero.

"**Loan Interest Period Date**" means:

(a) in relation to the Franc Loan, 22 February, 22 May, 22 August, 22 November, in each year, provided that the first Loan Interest Period Date relating to the Franc Loan shall be 22 August 2014 (or, in each case, if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day); and

(b) in relation to any Franc Unpaid Sum, the last day of the Franc Interest Period relevant to that Franc Unpaid Sum.

"**Loan Quotation Day**" means, in relation to any period for which an interest rate is to be determined, the date that is two TARGET Days prior to the first day of that period.

"**Plot III Land**" means that part of the Franc Property that is shaded in light blue and marked "FASE III" on a plan delivered to the Borrower Facility Agent under the Franc Loan Agreement on or prior to the Franc Utilisation Date.

"**Reference Banks**" means the principal office in London of HSBC Bank plc, Lloyds Bank plc, Royal Bank of Scotland plc, Barclays plc, Deutsche Bank, JP Morgan or such other banks as may be appointed by the Borrower Facility Agent under the Franc Loan Agreement or the Vanguard Loan Agreement (as applicable) after prior consultation with the Franc Original Borrower (in relation to the Franc Loan Agreement) or Vanguard Bidco (in relation to the Vanguard Loan Agreement) for not less than three Business Days.

"**Screen Rate**" means the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over administration of that rate) for the relevant period, displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) provided that if the agreed page is replaced or service ceases to be available, the Borrower Facility Agent may specify another page or the service displaying the appropriate rate after consultation with Franc Borrower (in relation to the Franc Loan Agreement) or Vanguard Bidco (in relation to the Vanguard Loan Agreement and all of the lenders under the relevant Loan Agreement.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Authority**" means any fiscal, revenue, customs or excise authority anywhere in the world competent to collect or administer matters relating to Tax.

"**Unpaid Sum**" means a Franc Unpaid Sum or a Vanguard Unpaid Sum.

Purpose of the Franc Loan

The Loan was applied by the Franc Original Borrower towards (a) on-lending amounts to the Franc Target which then used the amounts on-lent to it to refinance its existing financial indebtedness and (b) the payment of Franc Financing Costs.

Amount of the Franc Loan

The principal amount of the Franc Loan at the date of the origination was €78,437,500.

The Franc Loan Agreement provides for no further commitment upon the lender (or, for the avoidance of any doubt, upon the Issuer following the assignment of the interests in the Franc Loan to the Issuer) to make any further loan advance to the Franc Obligors.

Interest and Repayments

The Franc Loan Agreement provides that payment of quarterly instalments of interest and principal are due on the 15th calendar day of each of February, May, August and November and on the Franc Loan Maturity Date (with the first such payment date being 15 February 2014), or if such day is not a Business Day under the Franc Loan, then on the next succeeding Business Day in the relevant calendar month (if there is one) or the preceding Business Day (if there is not) (each, a "**Loan Payment Date**").

Interest

With the exception of the first three Loan Interest Periods, interest is payable quarterly on the Franc Loan on each Loan Payment Date in respect of the Loan Interest Period in which the relevant Loan Payment Date falls (assuming for this purpose that no repayments or prepayments of the Franc Loan have occurred or will occur on the Loan Payment Date falling during the Loan Interest Period). Interest is payable on the final day of each of the first three Loan Interest Periods under the Franc Loan Agreement.

The current Loan Interest Period relating to the Franc Loan as of the date of this Prospectus started on the Loan Payment Date falling in May 2014 and will end on the Loan Payment Date which falls in August 2014.

The next Loan Interest Period relating to the Franc Loan shall start on (and include) the Loan Interest Period Date which falls in August 2014 and will end on (but exclude) the next Loan Interest Period Date. However, no interest will accrue on (or be payable in respect of) the period starting on the Loan Payment Date falling in August 2014 and ending on the day falling seven days after the Interest Payment Date falling in August 2014.

Any successive Loan Interest Period thereafter shall start on (and include) the Loan Interest Period Date on which the last Loan Interest Period for that Loan ended and end on (but exclude) the next Loan Interest Period Date.

Interest is payable in relation to the Franc Loan at a floating rate, accrues daily and is payable quarterly as described above. The rate of interest payable on the Franc Loan for each Loan Interest Period is Loan EURIBOR for that Loan Interest Period plus the Franc Margin.

The Franc Borrower must pay interest on any overdue amount from the due date up to the date of actual payment at a rate which is one per cent. per annum above Loan EURIBOR plus the Franc Margin for successive interest periods of a duration selected by the Borrower Facility Agent.

The parties to the Franc Loan Agreement mutually acknowledged that the rate of interest applicable to the Franc Loan made to the Franc Borrower or secured by the Franc Borrower (inclusive of any component of fees and expenses applicable to the Franc Loan Agreement) shall not exceed the maximum rate permitted by Italian Law No. 108 of 7 March 1996, any other Italian anti-usury law and related implementation regulations (the "**Italian Usury Law**") to the extent applicable. In any event, the parties

agreed and accepted that if the rate of interest applicable to the Franc Loan made to the Franc Borrower or guaranteed by the Franc Borrower (inclusive of any component of fees and expenses applicable to the Franc Loan Agreement) at any time exceeds the maximum rate permitted by applicable law (including the Italian Usury Law), then the relevant interest rate of the Franc Loan made to the Franc Borrower or guaranteed by the Franc Borrower shall be automatically reduced to the extent necessary to allow the interest rate applicable to such Franc Loan to be in compliance with applicable law.

Scheduled Amortisation and Repayment

On each Loan Payment Date the Franc Borrower must repay the Franc Loan in an amount equal to 0.25 per cent. of the original principal amount of the Franc Loan on the Franc Utilisation Date**.** The Franc Borrower and the Franc Original Borrower must repay the Franc Loan and all other Franc Secured Liabilities in full on the Franc Loan Maturity Date, to the extent that such amounts have not been repaid, prepaid or discharged prior to such date. As such, the Franc Loan Agreement requires the Franc Borrower to make a significant, final repayment on the Franc Loan Maturity Date. The Franc Loan may (or is required to) also be repaid prior to the Franc Loan Maturity Date in the circumstances described below.

Prepayment on Illegality

The Franc Borrower must prepay any lender's share of the Franc Loan, and that lender's Franc Commitment shall be cancelled, following receipt of notice that it is or will become unlawful for such lender to perform any of its obligations as contemplated by the Franc Loan Agreement or to make, fund, issue or maintain its participation in the Franc Loan provided that on or prior to the date on which such prepayment is required by the relevant lender to be undertaken (being no earlier than the last Business Day permitted by relevant law), the Franc Borrower will have the right to require the relevant lender to transfer such participation to a replacement lender willing to assume all the obligations of the transferring lender for an amount equal to the outstanding principal amount of such lenders' participation in the outstanding Franc Loan and all accrued interest and other amounts payable to such lender in respect of its participation under the Franc Loan Agreement.

Prepayment on Franc Change of Control

If the Franc Investors cease to control the Franc Holdco, Franc Bidco ceases to be controlled by Franc Holdco, or the Franc Target ceases to be controlled by Franc Bidco (a "**Franc Change of Control**"), all Franc Commitments will be cancelled and the Franc Loan together with accrued interest and all other unpaid amounts under the Franc Loan Documents, will become immediately due and payable.

For this purpose "control" means (whether directly or indirectly):

"**control**" means (whether directly or indirectly):

(a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the casting of:

(A) in the case of the Franc Holdco, more than one half of the maximum number of votes that might be cast at a general meeting of the Franc Holdco; or

(B) in the case of the Franc Borrower or the Franc Original Borrower, all of the votes that might be cast at a general meeting of the applicable Franc Obligor;

(ii) appoint or remove all, or the majority, of the directors, managers or other equivalent officers of the relevant Franc Obligor; and

(iii) give directions with respect to the operating and financial policies of the relevant Franc Obligor with which the directors, managers or other equivalent officers of the Franc Obligor are obliged to comply; and

(b) the holding of:

(i) in the case of Franc Holdco, more than one half of the issued share capital of, and the Franc Investor Debt made to, the Franc Holdco; or

(ii) in the case of the Franc Borrower or the Franc Original Borrower, all of the issued share capital of the Franc Borrower or the Franc Original Borrower (as applicable),

(excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital),

and "**controlled**" shall be construed accordingly.

Prepayment of Franc Recovery Claims, Franc Property Disposal Proceeds and Franc Insurance Proceeds

The Franc Borrower or the Franc Original Borrower must prepay the Franc Loan together with other amounts payable in connection with the relevant prepayment (as described in "*Repayment/Prepayment Restrictions*" below) in the following amounts:

(a) any Franc Property Disposal Proceeds;

(b) any Franc Recovery Proceeds;

(c) any Franc Excluded Recovery Proceeds to the extent that such amounts are not applied to meet third party claims, to satisfy (or reimburse a member of the Franc Group which has discharged) any liability, charge or claim upon a member of the Franc Group by a person that is not a member of the Franc Group or to replace, reinstate or repair assets of the Franc Group which have been lost, destroyed or damaged, in each case, in relation to the relevant Franc Recovery Claim, within 12 months after receipt or 24 months of receipt (provided that such proceeds are contractually committed to be applied by no later than 24 months after receipt); and

(d) an amount equal to all net insurance proceeds (after deduction of reasonable fees, costs and expenses incurred by members of the Franc Group to persons who are not members of the Franc Group) received by any member of the Franc Group ("**Franc Insurance Proceeds**") other than (i) any such amounts which are to be applied to meet third party claims, to cover operating losses or loss of rent, or to replace, reinstate or repair assets of the Group or otherwise ameliorate the loss, in each case, in relation to the relevant insurance claim ("**Franc Excluded Insurance Proceeds**") unless such amounts are not applied within 12 months after receipt or 24 months of receipt (provided that such proceeds are contractually committed to be applied by no later than 24 months after receipt) and (ii) an aggregate amount of €50,000 of such proceeds in any Franc Financial Year ("**Franc Excluded Threshold Insurance Proceeds**"),

in each case either on the Loan Payment Date immediately following receipt of the same or, if the Franc Original Borrower elects by not less than 5 Business Days notice in writing, on any other Business Day falling prior to that Loan Payment Date in an amount equal to the same provided that all amounts payable in connection with the relevant prepayment (as described in "*Repayment/Prepayment Restrictions*" below) shall be payable from and deducted from the amounts withdrawn from the relevant Prepayment Account on the relevant date of prepayment (as described in "*Franc Borrower Prepayment Account*" below).

Voluntary Prepayment

If the Franc Borrower gives the Borrower Facility Agent not less than 5 Business Days' (or such shorter period as the Borrower Facility Agent may agree) prior notice, the Franc Borrower may prepay the whole or part of the Franc Loan (subject to a minimum amount of €1,000,000 (or, if less, the outstanding amount of the Franc Loan) provided that no minimum amount shall apply to a voluntary prepayment made in the circumstances described in "*Property Undertakings - Plot III Disposals*" below).

Repayment/Prepayment Restrictions

Any repayment or prepayment of the Franc Loan must be made together with (without double counting):

(a) accrued interest (including Franc Margin) on the amount prepaid;

(b) any applicable Franc Break Costs;

(c) any prepayment fee payable as a result of the prepayment or repayment; and

(d) payment of other Franc Secured Liabilities which have become due as a result of the prepayment or repayment.

Franc Loan Prepayment Fees

If all or any part of the Franc Loan is prepaid pursuant to the Franc Loan Agreement prior to the date falling 24 Months after the Franc Utilisation Date as described in "*Voluntary Prepayment*" or "*Prepayment on Franc Change of Control*" above or from Franc Property Disposal Proceeds as described in "*Prepayment of Franc Recovery Claims, Franc Property Disposal Proceeds and Franc Insurance Proceeds*" above, the Franc Obligors shall pay to the Borrower Facility Agent (for the account of each lender under the Franc Loan Agreement pro rata) a prepayment fee equal to:

(a) if the prepayment occurs before the date falling three months after the Franc Utilisation Date, 4.50% of the principal amount prepaid;

(b) if the prepayment occurs on or after the date falling three months after the Franc Utilisation Date but before the date falling six months after the Franc Utilisation Date, 4.10% of the principal amount prepaid;

(c) if the prepayment occurs on or after the date falling six months after the Franc Utilisation Date but before the date falling nine months after the Franc Utilisation Date, 3.70% of the principal amount prepaid;

(d) if the prepayment occurs on or after the date falling nine months after the Franc Utilisation Date but before the date falling twelve months after the Franc Utilisation Date, 3.30% of the principal amount prepaid;

(e) if the prepayment occurs on or after the date falling twelve months after the Franc Utilisation Date but before the date falling fifteen months after the Franc Utilisation Date, 2.90% of the principal amount prepaid;

(f) if the prepayment occurs on or after the date falling fifteen months after the Franc Utilisation Date but before the date falling eighteen months after the Franc Utilisation Date, 2.50% of the principal amount prepaid;

(g) if the prepayment occurs on or after the date falling eighteen months after the Franc Utilisation Date but before the date falling twenty-one months after the Franc Utilisation Date, 2.10% of the principal amount prepaid; or

(h) if the prepayment occurs on or after the date falling twenty-one months after the Franc Utilisation Date but before the date falling twenty-four months after the Franc Utilisation Date, 1.70% of the principal amount prepaid.

No prepayment fee is payable as described above in relation to a prepayment made:

(a) as a result of the exercise of a Franc Cure Right;

(b) as described in "*The Borrower Accounts – The Franc Borrower Accounts – Franc Borrower Cash Trap Account*";

(c) in the circumstances described in "*Franc Property Undertakings - Plot III Disposals*" below;

(d) in connection with the prepayment of a lender under the Franc Loan (i) to whom a Franc Obligor has become obligated to pay amounts as a result of the application of the tax-gross up and indemnity and increased cost provisions of the Franc Loan Agreement, (ii) whose participations in the Franc Loan the Franc Borrower or the Franc Original Borrower would otherwise be required to prepay as described in "*Prepayment on Illegality*" above, or (iii) which is a defaulting lender; or

(e) from Franc Property Disposal Proceeds arising from a compulsory purchase or nationalization or other expropriation in relation to all or part of the Franc Property.

Representations and Warranties

General

Each Franc Obligor (other than the Franc Borrower) has made or makes, as appropriate, representations and warranties to each Finance Party under the Franc Loan Agreement on the date of the Franc Loan Agreement, on the date of any utilisation request, on the Franc Utilisation Date and on the first day of each Loan Interest Period relating to the Franc Loan. The Franc Borrower has made or makes, as appropriate, representations and warranties to each Franc Finance Party under the Franc Loan Agreement on the date of its accession to the Franc Loan Agreement and on the first day of each Loan Interest Period relating to the Franc Loans. The representations and warranties relate to the matters which are normally the subject of representations and warranties in loan agreements secured on Italian commercial property including (a) formation, power and authority of each Franc Obligor; (b) validity and enforceability of the Franc Loan Documents; (c) no conflict with applicable law, its constitutional documents or any agreement binding on it or any member of the Franc Group or any of their assets; (d) no Franc Default on the date of the Franc Loan Agreement; (e) all financial statements delivered to the Borrower Facility Agent as at the date of the Franc Loan Agreement have been prepared under the Franc Accounting Principles except as disclosed therein; (f) no litigation which, if adversely determined, would have a Franc Material Adverse Effect. The representations and warranties to each Vanguard Finance Party under the Franc Loan Agreement are made subject, in each case, to the specific terms, concessions and materiality thresholds set out or represented in the Franc Loan Agreement.

Each Franc Obligor also represents that no Franc Obligor has traded or carried on any business since the date of its incorporation or establishment except for (a) entering into the Franc Loan Transaction Documents and effecting the transactions contemplated in those documents, the ownership, leasing, financing, development and management of the Franc Property; and (b) in the case of the Franc Obligors that are holding companies, effecting transactions in the administration and business of being a holding company and the ownership of subsidiaries.

Franc Property representations

Each Franc Obligor has made or makes, as appropriate, representations and warranties to each Finance Party in relation to the Franc Property. In certain cases these are subject to any disclosure made in the Franc Reports and to the specific terms, concessions and materiality thresholds set out or represented in the Franc Loan Agreement.

Each Franc Obligor has made, or makes, representations in respect of the Franc Property including (a) that the Franc Borrower is the sole legal and beneficial owner of the Franc Property and has good and marketable title to the Franc Property free from security (other than security permitted by the Franc Loan Agreement); (b) there is no covenant, easement, agreement, reservation, restriction, condition or other matter which materially and adversely affects the Franc Property; (c) no Franc Obligor has received any notice of any adverse claim by any person in respect of the ownership of the Franc Property or any interest in it; (d) compliance with all environmental law or regulation where failure to do so would have a Franc Material Adverse Effect; (e) no environmental claim has been threatened or commenced which, if adversely determined, would have a Franc Material Adverse Effect; (e) the Franc Borrower has the benefit of all material licences and consents and necessary building authorisations in relation to the Franc Property; and (f) no facility necessary for the enjoyment and use of the Franc Property is enjoyed by the Franc Property on terms entitling any person to terminate or curtail its use. Such representations and warranties are (or have been) made subject to any relevant disclosures in the Franc Notary Report and the Franc Legal Due Diligence Report.

Information Undertakings

Financial statements

Franc Bidco is required to supply to the Borrower Facility Agent (a) the audited unconsolidated financial statements for the Franc Target within 180 days of the end of its Franc Financial Year end and (b) the unaudited unconsolidated financial statements for Franc Bidco and the Franc Holdco within 180 days of

the end of their Franc Financial Year. Each Franc Obligor must also notify the Borrower Facility Agent of any Franc Default.

Franc Compliance Certificate

Franc Bidco is required to deliver a compliance certificate to the Borrower Facility Agent (each a "**Franc Compliance Certificate**") on each day falling 5 Business Days before each Loan Payment Date confirming:

(a) the Franc LTV Ratio in respect of that Loan Payment Date if such date is a Franc LTV Test Date;

(b) the Franc ICR in respect of the most recent Franc Test Date falling prior to that Loan Payment Date;

(c) that so far as the Franc Original Borrower is aware no Franc Default has occurred and is continuing, or if a Franc Default has occurred and is continuing, what Franc Default has occurred and the steps being taken to remedy the Franc Default;

(d) setting out the computations necessary to determine compliance with the Franc LTV Covenant and the Franc ICR Covenant;

(e) for the purposes of determining whether a Franc Cash Trap Event has occurred on that Loan Payment Date, the Franc LTV Ratio and the Franc ICR on the basis that any amounts standing to the credit of the Franc Borrower Equity Cure Account and the Franc Borrower Cash Trap Account are not taken into account in calculating the Franc LTV Ratio and the Franc ICR;

(f) for the purposes of determining whether the amounts standing to the credit of the Franc Borrower Equity Cure Account should be applied in prepayment or transferred to the Franc Borrower General Account on that Loan Payment Date, the Franc LTV and the Franc ICR on the basis that any amounts standing to the credit of the Franc Borrower Equity Cure Account are not taken into account in calculating the Franc LTV and the Franc ICR.

Franc Budget

Franc Bidco is required to supply to the Borrower Facility Agent as soon as it is available but in any event within 30 days of the start of each Franc Financial Year, a copy of an annual budget for the Franc Group for that Franc Financial Year in the same form as the original business plan provided as a condition precedent to financing the Franc Loan (the "**Franc Budget**").

General Undertakings

The general undertakings made by the Franc Obligors under the Franc Loan Agreement include covenants as to matters relating to each Franc Obligor and, in certain instances, the Franc Loan Documents, in each case, subject to specific terms, concessions and materiality thresholds set out or represented in the Franc Loan Agreement. These include undertakings by each Franc Obligor (a) that its payment obligations under the Franc Loan Documents rank at least pari passu with its other unsecured and unsubordinated payment obligations (except those mandatorily preferred by law); (b) not to create security over its assets (other than Franc Permitted Security); (c) not to dispose of their assets (other than pursuant to a Franc Permitted Disposal); (d) not to acquire any companies, shares, business, undertaking or real estate assets (other than the Franc Acquisition or the acquisition by a Franc Obligor of additional shares in its existing subsidiaries provided that such additional shares are or become subject to security in favour of the Borrower Security Agent) and not to form or incorporate any company, partnership, firm or other corporation or organisation; (e) not to incur, have outstanding or be a creditor in respect of any Franc Financial Indebtedness (other than Franc Permitted Financial Indebtedness); (f) not to give any guarantees or indemnities in respect of financial indebtedness (other than the Franc Permitted Guarantees); (g) not to substantially change the business of the Franc Group taken as a whole from that carried out as at the Franc Closing Date (h) not to enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than with the consent of the Borrower Facility Agent (acting on the instructions of the Franc Majority Lenders); (i) not to enter into any material agreement without the prior consent of the Borrower Facility Agent other than any Franc Loan Transaction Document, any agreement permitted under the Franc Loan Documents or an agreement consistent with its

business; (j) not to declare or pay any dividend, charge, fee or other distribution or make any payments in respect of Franc Financial Indebtedness owed to its shareholders or redeem, repurchase, defease, retire or repay any of its share capital (other than Franc Permitted Distributions); (k) not to terminate the appointment of, or replace, a property manager in respect of any of the Franc Properties unless the Borrower Facility Agent has been notified in advance of such termination and a replacement property manager is appointed which is a Franc Investor Affiliate or which is otherwise agreed by Franc Bidco and the Borrower Facility Agent and to ensure that at the same time as the entry into of any new property management agreement the relevant new property manager enters into a duty of care agreement; (l) not to terminate the appointment of, or replace, an asset manager in respect of any of the Franc Properties unless the Borrower Facility Agent has been notified in advance of such termination and a replacement asset manager is appointed which is a Franc Investor Affiliate or which is otherwise agreed by Franc Bidco and the Borrower Facility Agent; (m) to pay and discharge all taxes imposed upon it or its assets within the time period allowed without incurring penalties (unless such taxes are being contexted in good faith , adequate reserves are being maintained and payment can be lawfully withheld); (n) to comply with all laws to which it or the Franc Property may be subject if failure to do so would have a Franc Material Adverse Effect; and (o) to obtain all requisite authorisations.

Franc Property Undertakings

The property undertakings by the Franc Obligors under the Franc Loan Agreement include the following:

Franc Lease Approvals

The Franc Loan Agreement restricts the ability of the Franc Borrower to take certain action in relation to the Franc Leases including entering into an agreement to grant a Franc Occupational Lease, granting any new Franc Occupational Lease or extending any Franc Occupational Lease, agreeing any amendment, waiver or surrender in respect of any Franc Occupational Lease, waiving, releasing, forfeiting or exercising any right of re-entry in respect of any Franc Occupational Lease or exercising any option or power to break or determine any Franc Occupational Lease, consenting to any assignment or sub-letting under any Franc Occupational Lease, consenting to any change of use in respect of any tenant's interest under a Franc Occupational Lease or agreeing to any rent reviews in respect of any Franc Occupational Lease (other than an upward rent review), (each a "**Franc Letting Activity**") in each case, other than where such activity constitutes a Franc Permitted Letting Activity.

Planning

Each Franc Obligor is required (a) to comply in all material respects with any conditions attached to any planning permissions and with any agreement or undertaking under any planning laws relating to or affecting any Franc Property (save for any such conditions, agreements or undertakings which are obligations solely of the tenant) and (b) not to carry out any material development on or of the Franc Property (save for any development contemplated and permitted by any applicable planning laws or permitted under the Franc Loan Agreement as detailed at "*Development*" below) or make any material change to the use of any Franc Property (other than in circumstances where the aggregate net lettable area in respect of which that change of use applies and which is permitted as described in this paragraph or as described in paragraph (f) of the definition of "Franc Permitted Letting Activity" does not exceed one thousand (1000) square metres during the term of the Franc Loan).

Development

No Franc Obligor may effect, carry out, permit or incur capital expenditure in respect of any Franc Capex Project save for any Franc Permitted Capex Project.

Maintenance

Each Franc Obligor is required to (or to procure that the Franc Managing Agent shall) repair and keep in good and substantial repair and condition the Franc Property owned by it in the interests of good estate management.

Plot III Disposals

Prior to contracting for the disposal of the Plot III Land, the Franc Target shall (i) notify the Borrower Facility Agent in writing of its intention to dispose of the Plot III Land (a "**Proposed Franc Disposal**");

(ii) provide details to the Borrower Facility Agent of the price proposed to be paid by the intended purchaser in connection with the Proposed Franc Disposal; and (iii) provide details to the Borrower Facility Agent of proposed works which are intended to be carried out on the Plot III Land by the potential purchaser of the Plot III Land following that Proposed Franc Disposal (in sufficient detail to enable a Franc Valuer to conduct a valuation of the Franc Property).

Following receipt of a notice of a Proposed Franc Disposal, the Borrower Facility Agent shall instruct a Franc Valuer to produce a desktop valuation stating the value of the Franc Property excluding the Plot III Land (the "**Pre Disposal Desktop Valuation**") and the value of the Franc Property excluding the Plot III Land and assuming that the proposed works which are intended to be carried out on the Plot III Land by the potential purchaser of the Plot III Land following that Proposed Franc Disposal have been completed (the "**Post Disposal Desktop Valuation**").

If the percentage decrease in the value of the Franc Property indicated by the Post Disposal Desktop Valuation from the value indicated by the Pre Disposal Desktop Valuation is not more than 3 per cent. the Proposed Franc Disposal shall be permitted provided that such disposal is contracted within a period of one month from the date of finalisation of the relevant desktop valuation.

If the percentage decrease in the value of the Franc Property indicated by the Post Disposal Desktop Valuation from the value indicated by the Pre Disposal Desktop Valuation is more than 3 per cent. the Borrower Facility Agent is required to instruct a Franc Valuer to deliver a market valuation of the Property stating the value of the Franc Property excluding the Plot III Land (the "**Pre Disposal Market Valuation**") and the value of the Franc Property excluding the Plot III Land and assuming that the proposed works which are intended to be carried out on the Plot III Land by the potential purchaser of the Plot III Land following that Proposed Franc Disposal have been completed (the "**Post Disposal Market Valuation**").

If a market valuation is required to have been instructed as described above the Proposed Franc Disposal shall only be permitted if (a) the percentage decrease in the value of the Property indicated by the Post Disposal Market Valuation from the value indicated by the Pre Disposal Market Valuation is not more than 3 per cent. or (b) where the percentage decrease in the value of the Franc Property indicated by the Post Disposal Market Valuation from the value indicated by the Pre Disposal Market Valuation is more than 3 per cent., on or prior to completion of the Proposed Franc Disposal the Franc Loan is prepaid in an amount equal to the product of (i) the outstanding principal amount of the Franc Loans and (ii) the percentage amount by which the percentage decrease in the value of the Franc Property indicated by the Post Disposal Market Valuation from the value indicated by the Pre Disposal Market Valuation is more than 3 per cent.

Information and Franc Property Monitoring

The Franc Borrower is required to supply the Borrower Facility Agent with a quarterly management report together with each Franc Compliance Certificate as described under "*Information Undertakings*" above. The prescribed form of the quarterly management report to be delivered under the Franc Loan Agreement includes the following information in relation to the Franc Property:

(a) a tenancy schedule showing for each occupational tenant the rent, any guarantor terms, next rent review date, details of any break clause (with notice period), service charge, Franc VAT and any other payments payable and paid in the previous rental quarter by each of those tenants, details of any arrears and steps being taken to recover them, details of any rent reviews relating to any Franc Occupational Lease due in the next twelve months, in progress or agreed, details of any break clauses in any Franc Occupational Lease which have lapsed;

(b) a service charge schedule for the then current calendar year showing budgeted service charge against actual service charge to date for that year and an estimate of the amount of service charge which is not recoverable from the tenants of the Franc Property;

(c) details of any new Franc Leases and licences proposed or signed in the relevant period and, where signed, confirmation that such new Franc Leases or licences were entered into in accordance with the terms of the Franc Loan Agreement;

(d) details of any Franc Leases matured, determined or surrendered in the relevant period and leases maturing in next twelve months and action being taken;

(e) Franc Managing Agents' reports (to include arrears and collections);

(f) details of any refurbishment or redevelopment or material repairs provided to or proposed in respect of the Franc Property including the projected costs in respect thereof, details of any irrecoverable expenditure incurred or to be incurred in relation to each Franc Property;

(g) information in respect of tenant relations;

(h) information in respect of litigations, including copies of any notices issued or received, material correspondence and details of any disputes;

(i) details of any insurance claims or damage to the Franc Property by any insured or uninsured risk;

(j) details of any material planning permissions submitted and of the grant or refusal of any material planning permission (or any variation thereof);

(k) a copy of any material notices or claims received in respect of the Franc Property;

(l) during the period of implementation of any Franc Capex Project, details of progress, cost and the allocation of funds to meet such costs; and

(m) details of any amendment, waiver, surrender or assignment of any Franc Occupational Lease.

Franc Managing Agent

Each Franc Obligor is prohibited from terminating the appointment of a Franc Managing Agent without the prior written consent of the Borrower Facility Agent (not to be unreasonably withheld) unless:

(a) the Borrower Facility Agent is first notified in writing at least five Business Days before the intended termination;

(b) a new Franc Managing Agent is promptly appointed under a Franc New Property Management Agreement; and

(c) such termination does not lead to any Franc Obligor being an employer of any employees.

At the same time as the entry into each Franc Property Management Agreement, the Franc Borrower will ensure that the relevant Franc Property Manager enters into a Franc Duty of Care Agreement with the Borrower Facility Agent.

Asset Manager

Each Franc Obligor is prohibited from terminating the appointment of the Franc Asset Manager or replacing the Franc Asset Manager without the prior written consent of the Borrower Facility Agent (not to be unreasonably withheld) unless:

(a) the Borrower Facility Agent is first notified in writing at least five Business Days before the intended termination;

(b) a new Franc Asset Manager is promptly appointed under a new Franc Asset Management Agreement; and

(c) such termination does not lead to any Franc Obligor being an employer of any employees.

Insurances

Each Franc Obligor must effect and maintain or ensure that there is effected and maintained:

(a) insurance in respect of the Franc Property and other fixtures and fixed plant and machinery forming part of the Franc Property against such risks and contingencies as are insured in accordance with sound commercial practice on a full reinstatement basis, including the cost of demolition, site clearance, shoring and propping up, professional fees and Franc VAT relating thereto (together with provision for forward inflation) **provided that**, in respect of the Franc Property, earthquake insurance shall only be required to have a value in an amount not less than that indicated in a portfolio seismic risk assessment calculated for a 475 year event Scenario Expected Limit ("**SEL**") (with an exposure period of 50 years and a 10% probability of being exceeded) for the Franc Property (the probable maximum loss ("**PML**")), such risk assessment to be conducted by a third-party engineering firm qualified to perform such risk assessment using the most current RMS software or its equivalent and which includes consideration of loss amplification provided further that if such risk assessment concludes that the PML exceeds 20% of the reinstatement cost of the Franc Property, earthquake insurance must have a value in an amount not less than 150% multiplied by the PML (expressed as a percentage) multiplied by the reinstatement cost of the Franc Property;

(b) insurance against loss of Franc Rental Income relating to the Franc Property for a period of not less than three years';

(c) third party and public liability insurance (subject to an aggregate limit of €20,000,000);

(d) insurance in respect of acts of terrorism in respect of the Franc Property; and

(e) insurance against such other risks as a prudent property company carrying on the same or substantially the same business as that Franc Obligor would effect,

in each case with one or more insurers or underwriters (A) that meet the relevant Franc Requisite Rating; or (B) that are approved in writing by the Borrower Facility Agent (such approval not to be unreasonably withheld or delayed).

If any such insurer or underwriter with which insurance has been effected at any time ceases to have the relevant Franc Requisite Rating, the Borrower Facility Agent may request that such insurer or underwriter is replaced with a new insurer or underwriter that meets the relevant Franc Requisite Rating. The Franc Obligors are required in such circumstances to ensure that a replacement insurer or underwriter is put in place as soon as possible but in any event within 30 days of such request unless it is not possible to find a replacement with a Franc Requisite Rating in which case the Franc Borrower and the Borrower Facility Agent shall consult with each other with respect to potential alternatives (for a period of no more than five Business Days and both acting reasonably). At the end of such period of consultation the Borrower Facility Agent shall specify which alternative insurer or underwriter may be used to effect any Franc Insurance Policy with.

Each such insurance policy, except any insurance policy in respect of third party and public liability risks, must name the Borrower Security Agent as co-insured and as loss payee.

Environmental Matters

The Franc Borrower is required to ensure compliance with all laws or regulations which relate to the pollution or protection of the environment, the conditions of the workplace or the generation, handling, storage, use, release or spillage of any substance capable of causing harm to the environment ("**Environmental Law**") applicable to the Franc Property and obtain and ensure compliance with all requisite Franc Environmental Permits as required for the business carried on at its Franc Properties or to which a Franc Obligor is subject where failure to do so would have a Franc Material Adverse Effect.

The Franc Borrower must supply the Borrower Facility Agent promptly upon becoming aware of them, the details of any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law ("**Environmental Claim**") which is current or threatened or pending against a member of the Franc Group and any facts or circumstances which shall or are reasonably likely to result in an Environmental Claim being commenced or threatened against any Franc Obligor, which, in each case, if adversely determined, would have a Franc Material Adverse Effect.

Financial Covenants

For the purposes of the financial covenants:

"**Franc ICR**" means, on any Loan Payment Date, the ratio of Franc Net Rental Income (excluding any receipts from or the value of consideration given for the surrender of any Franc Occupational Lease) received by the Franc Obligors to Franc Interest Costs, in each case, in respect of the Franc Relevant Period ending on the Franc Test Date falling immediately prior to that Loan Payment Date assuming for these purposes that:

(a) in respect of the Franc Financial Quarter ending on 31 March 2013, Franc Net Rental Income was €3,036,868 and Franc Interest Costs were €926,376;

(b) in respect of the Franc Financial Quarter ending on 30 June 2013, Franc Net Rental Income was €2,626,232 and Franc Interest Costs were €926,376; and

(c) in respect of the Franc Financial Quarter ending on 30 September 2013, Franc Net Rental Income was €3,018,333 and Franc Interest Costs were €926,376.

"**Franc Interest Costs**" means, for any Franc Relevant Period, all interest which was payable by the Franc Obligors to the Franc Finance Parties under the Franc Loan Documents minus any amounts received by the Franc Obligors under the Franc Hedging Agreements.

"**Franc LTV Ratio**" means, at any time, the proportion expressed as a percentage which Franc Net Debt bears to the aggregate market value of the Franc Property at that time calculated by reference to the then most recent Franc Valuation.

"**Franc LTV Test Date**" means:

(a) each Loan Payment Date falling after the first anniversary of the Franc Utilisation Date; and

(b) the Loan Payment Date falling on or immediately after the date of the delivery of any Franc Valuation requested as a result of a compulsory purchase.

"**Franc Net Debt**" means, on any date, the aggregate principal amount outstanding of the Franc Loans:

(a) minus the aggregate amount standing to the credit of the Franc Borrower Prepayment Account, the Franc Borrower Cash Trap Account and the Franc Borrower Equity Cure Account; and

(b) in respect of any calculation of the Franc LTV Ratio on a Loan Payment Date falling on or immediately after the date of the delivery of a Franc Valuation requested by the Borrower Facility Agent as a result of a compulsory purchase or nationalisation or other expropriation, assuming that the Franc Loans have been prepaid together with all other fees, Franc Break Costs and other amounts due as a result of that prepayment in an aggregate amount equal to the amount receivable by the Franc Obligors in respect of the relevant compulsory purchase or nationalisation or other expropriation.

"**Franc Relevant Period**" means each period of twelve (12) months commencing on a Franc Test Date and ending on the anniversary of that Franc Test Date.

"**Franc Test Date**" means the last day of each Franc Financial Quarter.

Franc LTV

Each Franc Obligor shall ensure that on each Franc LTV Test Date the Franc LTV Ratio is not greater than 80% (the "**Franc LTV Covenant**").

Franc ICR

Each Franc Obligor shall ensure that on each Loan Payment Date the Franc ICR for the Franc Relevant Period ending on the Franc Test Date falling immediately prior to that Loan Payment Date is not less than 1.40:1 (the "**Franc ICR Covenant**")

Testing

The Franc Loan Agreement provides that the Franc LTV Covenant will be tested by reference to the then most recent Franc Valuation and the information contained in the relevant Franc Compliance Certificate and the Franc ICR Covenant will be tested by reference to the information contained in the relevant Franc Compliance Certificate.

Franc Cure Rights

If the Franc LTV Covenant is not satisfied on any Franc LTV Test Date or the Franc ICR Covenant is not satisfied on any Franc Test Date, the Franc Borrower may within 20 Business Days of (in the case of the Franc LTV Covenant) the relevant Franc LTV Test Date or (in the case of the Franc ICR Covenant) the relevant Loan Payment Date falling immediately after the relevant Franc Test Date (as applicable) (a) deposit into the Franc Borrower Equity Cure Account or (b) prepay the Franc Loan in, in each case, an amount sufficient to ensure that if such amount had been applied in prepayment of the Franc Loan (in the case of the Franc ICR Covenant, on the first day of the Franc Relevant Period in respect of which a breach of the Franc ICR Covenant has occurred) the Franc LTV Covenant and/or the Franc ICR Covenant would be satisfied, such right being a "**Franc Cure Right**".

Subject to the limitations below, if the Franc Borrower exercises a Franc Cure Right, the Franc Borrower will not be regarded as being in breach of the Franc LTV Covenant and/or the Franc ICR Covenant (as applicable) as at the relevant Franc LTV Test Date or Loan Payment Date without prejudice to any subsequent breach of such covenants.

The exercise of any Franc Cure Right may: (i) only be made a maximum of four times in total from the Franc Closing Date; and (ii) not be used in respect of more than two consecutive Franc Test Dates.

Franc Valuations

The Franc Initial Valuation was prepared by Cushman Wakefield as a condition precedent to Franc Utilisation. Subject to the paragraph immediately below, the Borrower Facility Agent may thereafter instruct a Franc Valuer to prepare a Franc Valuation at any time after the first anniversary of the Franc Utilisation Date in respect of all the Franc Obligors' interests in the Franc.

At any time while a Franc Default is continuing or on receipt of by the Borrower Facility Agent of a notification from the Franc Borrower that the whole or any material part of the Franc Property is being compulsorily purchased, the Borrower Facility Agent may request a further Franc Valuation.

The Franc Borrower is required to pay on demand the costs of: (i) the Franc Initial Valuation (ii) any further Franc Valuation of the Franc Properties instructed by the Borrower Facility Agent after the first anniversary of the Franc Utilisation Date (subject to a limitation of one Franc Valuation in any twelve month period) (iii) any Franc Valuation instructed whilst a Franc Default is continuing or (iv) any Franc Valuation requested by the Borrower Facility Agent following receipt by it of a notification from the Franc Borrower that the whole or any material part of the Franc Property is being compulsorily purchased. Any Franc Valuation instructed by the Borrower Facility Agent other than as set out above will be at the cost of the lenders and will not constitute a Franc valuation for the purposes of the Franc Loan Agreement.

Franc Default

Franc Default

The Franc Loan Agreement contains the typical events of default for loans secured on Italian commercial property including non-payment of sums due (subject to a 3 Business Day grace period for a non-payment caused by technical or administrative error and an exclusion for non-payment resulting from default on the part of the Borrower Facility Agent in applying amounts in the Franc Borrower Rental Income Account in accordance with the Franc Loan Agreement in circumstances where the Franc Borrower Rental Income Account contained sufficient funds to make such payments in accordance with the provisions described in "*Franc Borrower Rental Income Account*" below), breach of financial covenants (unless cured as described under "*Financial Covenants*" above), breach of the terms of the Franc Loan Documents (subject, in the case of certain breaches to cure periods of varying lengths), misrepresentation (subject to a 21 day cure period), other financial indebtedness owed by the Franc Obligors not being paid

when due or being prematurely declared due (other than to the extent that the aggregate amount of such financial indebtedness is less than €250,000), insolvency of any Franc Obligor (subject to a 21 day cure period for balance sheet insolvency) and analogous events, insolvency proceedings with respect to any Franc Obligor (except where such proceedings are contested in good faith and stayed or dismissed within 21 days of their commencement), any of the Franc Loan Documents ceasing to be in full force and effect, any part of the Franc Property is subject to a compulsory purchase which would have a Franc Material Adverse Effect, damage to or destruction of any part of the Franc Property which would have a Franc Material Adverse Effect (taking into account the insurance policy relating to that part of the Franc Property) or the occurrence of an event or circumstance which has a Franc Material Adverse Effect.

The Franc Loan Agreement also contains the following events of default (together with the events of default listed above, each a "**Franc Loan Event of Default**"): (a) the occurrence of the circumstances set forth in Article 2447, or 2482-ter, as applicable, of the Italian Civil Code in relation to the Franc Borrower (unless, within 30 days of the date on which the directors of the Franc Borrower become aware of such occurrence, a shareholders' meeting is held to duly pass a resolution approving a capital increase to comply with the minimum capital requirements under Italian law and setting a deadline for the payment by the shareholders of the amounts required in connection with such capital increase); (b) any amounts required to be paid up in connection with a capital increase described in (a) above are not paid up (c) repudiation of a Franc Loan Document by a Franc Obligor or a Franc Subordinated Creditor and (d) an audit qualification in the annual financial statements of any member of the Franc Group in connection with inadequacy of information or the going concern basis of such member of the Franc Group (excluding any qualification, emphasis of matter, statement or commentary relating to future compliance or breach of the Franc Loan Documents).

"**Italian Civil Code**" means the Italian Royal Decree No. 262 of 16 March 1942, as amended from time to time.

Acceleration / Enforcement

If a Franc Loan Event of Default has occurred which has not been remedied or waived, the Borrower Facility Agent may (and must if so directed by the Franc Majority Lenders) by notice to Franc Bidco, cancel the Franc Total Commitments at which time they shall be immediately cancelled, declare the Franc Loan (and related amounts accrued and outstanding under the Franc Loan Documents) to be immediately due and payable, declare the Franc Loan to be payable on demand of the Borrower Facility Agent acting on the instructions of the Franc Majority Lenders and/or enforce or direct the Borrower Security Agent to enforce the Franc Loan Security or exercise any or all of its rights, remedies, powers or discretions under any of the Franc Loan Documents.

Amendments and Waivers

The Franc Loan Agreement generally provides that decisions made by the Franc Majority Lenders are binding on all of the Finance Parties save that certain decisions require the consent of each of the lenders. The list of decisions which require all lender consent is typical for a loan agreement relating to the financing of real estate in Italy.

The Franc Loan Agreement provides that if any lender does not accept or reject a request from a Franc Obligor for any consent amendment, waiver or release under any Franc Loan Document before the later of 15 Business Days from the date of such request (unless a longer time period is specified by the relevant Franc Obligor with the prior agreement of the Borrower Facility Agent) and the time period for lenders to respond to that request, that lender's participations and Franc Commitment shall not be included when considering whether the approval of the Franc Majority Lenders or of all of the lenders under the Franc Loan Agreement (as applicable) has been obtained in respect of that request.

Conditions subsequent

The Franc Loan Agreement includes the following condition subsequent to be satisfied by the Franc Borrower after the Franc Utilisation Date:

(a) on or before the date falling 60 calendar days after the Franc Utilisation Date, the Franc Obligors are required to ensure that the Borrower Facility Agent is provided with evidence of the establishment of each Franc Borrower Account required to be opened by the Franc Target; a

copy of the duly signed bank mandates for those accounts; a signed and date Italian account pledge over each such account and legal opinions in relation to the enforceability of the account pledge and the capacity of the Franc Target to enter into the related account pledge;

(b) on or prior to the date falling 5 Business Days after the Franc Closing Date the Franc Obligors must deliver to the Borrower Security Agent a copy of the pages of the quotaholders' ledger of Franc Target showing that the pledge has been duly annotated duly in the relevant books in form and substance satisfactory to the Borrower Facility Agent;

(c) on or prior to the date falling 20 Business Days after the Franc Closing Date the Franc Obligors must ensure that a copy of the relevant notice of the assignment of receivables under the relevant Franc Occupational Lease is sent to each tenant under a Franc Occupational Lease existing on the Franc Closing Date; and

(d) On or prior to the date falling 5 Business Days after the Franc Closing Date the Franc Obligors must ensure that:

(i) the relevant notice of the assignment of receivables under the Franc Acquisition Documents is sent to each relevant counterparty under a Franc Acquisition Document; and

(ii) the relevant notice to each bank in respect of each account of the Franc Target open as at the Franc Utilisation Date is sent to each relevant bank.

The conditions subsequent in respect of the Franc Loan have been satisfied.

Franc Syndication and Securitisation Costs

Pursuant to a side letter to the Franc Loan Agreement, the Franc Obligors have agreed to pay (or procure is paid):

(a) to any lender under the Franc Loan Agreement or any Franc New Finance Party, the amount of any ongoing third party costs, fees and expenses (the "**Franc Ongoing Costs**") reasonably incurred by that lender or Franc New Finance Party in connection with a syndication or Franc Securitisation of its participation in the Franc Loan provided that:

(i) copies of the relevant invoice(s) are, or evidence that such costs have been contracted is, provided to Franc Bidco;

(ii) the aggregate annual amount that the Franc Obligors are required to pay (or procure is paid) in any calendar year as described in this paragraph is capped at the Franc Maximum Ongoing Costs Amount;

(b) to any Franc Finance Party, the amount of any fees payable by that Franc Finance Party to any servicer or special servicer in connection with any syndication or Franc Securitisation of the Franc Loan and which arise as a result of the occurrence of a Franc Loan Event of Default (including, for the avoidance of doubt, any workout fee, any liquidation fee, any default loan fee and any special servicing costs (if any)) (the "**Franc Servicer Default Fees**") provided that the maximum amount of any Franc Servicer Default Fees that the Franc Obligors are required to pay (or procure is paid) to any Franc Finance Party as described in this paragraph (b) shall not exceed the Franc Maximum Servicer Default Fees Amounts.

In this section:

"**Franc Maximum Ongoing Costs Amount**" means, in respect of any calendar year, €75,000:

(a) plus any Franc VAT and any disbursements arising, or incurred by any advisor appointed in relation to such syndication or Franc Securitisation of the Franc Loan, in connection with the Franc Ongoing Costs; and

(b) minus the amount of the facility agent fee and the security agent fee payable by the Franc Obligors in respect of that calendar year.

"**Franc Maximum Servicer Default Fees Amounts**" means, in respect of any Franc Servicer Default Fees:

(a) with respect to any liquidation fee, no more than 50 basis points of any liquidation proceeds; and

(b) with respect to any special servicing fee, no more than 15 basis points of the outstanding balance of the Franc Loan at the start of the relevant period per annum, payable quarterly,

in each case, plus any Franc VAT in connection with any such Franc Servicer Default Fees, provided that in the event that a Franc Securitisation of the Franc Loan occurs and such Franc Securitisation is also a securitisation of the loans advanced pursuant to the Vanguard Loan Agreement, the Franc Maximum Servicer Default Fees Amounts specified above shall be:

(i) with respect to any liquidation fee, no more than the lesser of:

(A) 50 basis points of any liquidation proceeds; and

(B) €392,187.50,

in each case, when aggregated with any liquidation fees which a Vanguard Obligor has reimbursed to a Vanguard Finance Party under the terms of the Vanguard Loan Documents;

(ii) with respect to any special servicing fee, no more than the lesser of:

(A) 15 basis points of the outstanding balance of the Franc Loan at the start of the relevant period per annum; and

(B) 117,656.25 per annum,

in each case, when aggregated with any special servicing fees which an Vanguard Obligor has reimbursed to a Vanguard Finance Party under the terms of the Vanguard Loan Documents and in each case, payable quarterly,

in each case, plus any Franc VAT in connection with any such Franc Servicer Default Fees.

C The Franc Borrower Cap Agreement

The Franc Borrower has entered into the Franc Borrower Cap Agreement pursuant to which the Franc Borrower Cap Provider will make payments to the extent that three-month EURIBOR exceeds the rates specified therein. The payments under the Franc Borrower Cap Agreement will be based upon the notional amount of such Franc Borrower Cap Agreement which is intended to match the scheduled (or anticipated) amortisation schedule on the Franc Loan. For further information see section entitled "*Description of the Borrower Hedging Agreements – The Franc Borrower Cap*".

D The Franc Loan Security

The Franc Loan is secured by the Franc Loan Security Agreements.

Franc Italian Law Security

Under the Italian law Franc Loan Security Agreements, the Franc Obligors granted the following security:

(a) a pledge over the quota in the Franc Target entered into by Franc Bidco as pledgor and the Borrower Security Agent as common representative;

(b) an assignment of rights under the Franc Acquisition Documents entered into by Franc Bidco as assignor and the Borrower Security Agent as common representative;

(c) an assignment of rights under the Franc Acquisition Documents, entered into by Franc Target and the Borrower Security Agent as common representative;

(d) a mortgage security over the Franc Property entered into by the Franc Target as mortgagor and the Borrower Security Agent as common representative;

(e) an assignment of receivables under each Franc Occupational Lease, entered into by the Franc Target as assignor and the Borrower Security Agent as common representative; and

(f) an account pledge in respect of the Franc Borrower Accounts located in Italy entered into by the Franc Target as pledgor and the Borrower Security Agent as common representative.

Pledge over Quotas

The pledge agreement over the quotas of Franc Target requires as perfection formalities the registration and filing of the agreement with the relevant Companies' Register. The pledge over quotas has been registered and filed with the Companies' Register of Milan.

Assignments of Receivables under the Franc Acquisition Documents

The assignments over the receivables arising under the Franc Acquisition Documents require as a perfection formality that notices to be sent to the counterparties through court bailiff, or acceptances signed by the counterparties bearing an indisputable date. The relevant notices have been sent to the counterparties through court bailiff.

Mortgage agreement

The mortgage agreement over the Franc Property requires as perfection formalities the registration of the agreement and the registration of the mortgage with the competent registry office (*Agenzia del Territorio)* – Real Estate Disclosure Office (*Servizio di Pubblicità Immobiliare*). The mortgage agreement and the mortgage have each been registered.

Assignment of Receivables arising under the Franc Occupational Leases

The assignment over receivables arising under the Franc Occupational Leases requires as a perfection formality notices to be sent to the counterparties through court bailiff, or acceptances signed by the counterparties bearing an indisputable date. The relevant notices have been sent to the counterparties through court bailiff.

Pledge over Accounts

The account pledge over the following Franc Borrower Accounts held at ING Bank Italy: the Franc Borrower Rental Income Account, the Franc Borrower Equity Cure Account, the Franc Borrower Prepayment Account, the Franc Borrower Cash Trap Account, the Franc Borrower Service Charge Account, the Franc Borrower General Account, requires as a perfection formality notices to be sent to ING Bank Italy through court bailiff, or acceptances signed by ING Bank Italy bearing an indisputable date. The acceptance, bearing an indisputable date, was signed by ING Bank Italy on or about 19 November 2013.

Additional perfection formalities are required, periodically, to ensure the pledge over all sums credited to the accounts from time to time, and the credit for repayment of the balance existing on the accounts.

Franc English Law Security

Under the English law Franc Loan Security Agreements, an assignment of receivables under the Franc Hedging Agreements and Franc Insurance Policies has been granted by Franc Target in favour of the Borrower Security Agent.

In connection with such Franc Security notices have been served by Franc Target upon the Franc Borrower Cap Provider and the insurers in respect of the Franc Insurance Policies existing at the Franc Closing Date (other than any insurer in respect of third party or property owner's liability) and acknowledgements of such Franc Security have been received.

Franc Luxembourg Law Security

Under the Luxembourg law Franc Loan Security Agreements, the following security has been granted:

(a) the pledge over the shares in Franc Bidco entered into by the Franc Holdco as pledgor and the Borrower Security Agent as security agent;

(b) the pledge over receivables owed to Franc Holdco by Franc Bidco entered into by the Franc Holdco as pledgor and the Borrower Security Agent as security agent;

(c) the account pledge in respect of the Franc Holdco General Account entered into by Franc Holdco as pledgor and the Borrower Security Agent as security agent;

(d) the account pledge in respect of the Franc Bidco General Account entered into by Franc Bidco as pledgor and the Borrower Security Agent as security agent; and

(e) the pledge over receivables owed to Franc Bidco by Franc Target entered into by the Franc Bidco as pledgor and the Borrower Security Agent as security agent.

Enforceability

The security under the English Law Franc Loan Security Agreement and the Luxembourg Law Franc Loan Security Agreements are expressed to be enforceable if a Franc Loan Event of Default has occurred which has not been remedied or waived. The Italian law Franc Loan Security Agreements are expressed to be enforceable if a Franc Loan Event of Default has occurred which has not been remedied or waived following which the Borrower Facility Agent serves a notice of enforcement under the provisions of the Franc Loan Agreement.

E Franc Subordination Agreement

An English law governed subordination agreement (the "**Franc Subordination Agreement**") has been entered into between, the Borrower Facility Agent, the Borrower Security Agent, Franc Holdco and Franc Bidco as original obligors (the "**Franc Original Obligors**"), and Frankie Topco S.á r.l., Franc Holdco and Franc Bidco as original junior creditors (the "**Franc Original Subordinated Creditors**"). The Franc Subordination Agreement governs the inter-relationship between the Franc Finance Parties and the Franc Subordinated Creditors. The Franc Borrower acceded to the Franc Subordination Agreement as a new Franc Obligor and as a new Franc Subordinated Creditor on the Franc Closing Date.

For the purposes of the Franc Subordination Agreement:

"**Franc Obligors**" means the Franc Original Obligors and any company which at any time which accedes to the Franc Subordination Agreement as a new Franc Obligor.

"**Franc Senior Debt**" means all Liabilities payable or owing by any Franc Obligor, whether owed jointly, severally or in any other capacity whatsoever, and whether incurred by a Franc Obligor or by some other person, to the Franc Finance Parties (or any of them) under or in connection with the Franc Loan Documents.

"**Franc Senior Debt Discharge Date**" means the date on which all the Franc Senior Debt has been unconditionally and irrevocably paid and discharged in full, as determined by the Borrower Facility Agent.

"**Franc Subordinated Creditor**" means each of the Franc Original Subordinated Creditors and any company which at any time accedes to the Franc Subordination Agreement a new Franc Subordinated Creditor.

"**Franc Subordinated Document**" means any document evidencing or recording the terms of any Franc Subordinated Debt.

"**Franc Subordinated Debt**" means all Liabilities payable or owing by the Franc Obligors, whether owed jointly, severally or in any other capacity whatsoever, and whether incurred by a Franc Obligor or by some other person, to the Franc Subordinated Creditors (or any of them) from time to time.

"**Franc Subordination Period**" means the period beginning on the date of this Deed and ending on the Franc Senior Debt Discharge Date.

"**Liability**" means any present or future obligation or liability (whether actual or contingent), together with:

(a) any novation, deferral or extension of that liability;

(b) any further advance which may be made under any agreement expressed to be supplemental to any document in respect of that liability, together with all related interest, fees and costs;

(c) any claim for damages or restitution in the event of rescission of that liability or otherwise;

(d) any claim flowing from any recovery by a payment or discharge in respect of that liability on grounds of preference or otherwise; and

(e) any amount (such as post-insolvency interest) which would be included in any of the above but for its discharge, non-provability, unenforceability or non-allowability in any insolvency or other proceedings.

Subordination

Pursuant to the Franc Subordination Agreement the Franc Subordinated Creditors have agreed that the Franc Subordinated Debt is subordinate in right of payment to the Franc Senior Debt and that the rights of the Franc Subordinated Creditors in respect of the Franc Subordinated Debt are subordinated to the Franc Senior Debt.

Restrictions on Payments

The Franc Subordination Agreement contains usual restrictions on payments to the Franc Subordinated Creditors including that, except as expressly permitted by the Franc Loan Documents and until the end of the Franc Subordination Period, the Franc Subordinated Creditors may not receive any payment of the Franc Subordinated Debt from the Franc Obligors or make demand for all or any of the Franc Subordinated Debt.

Notwithstanding the above described restriction on payments the Franc Subordinated Creditors are permitted to receive any Franc Permitted Distribution or to take action prohibited by the Franc Subordination Agreement in the event that the Borrower Facility Agent (acting on the instructions of the Franc Majority Lenders) consents in writing.

Representations

Each Franc Subordinated Creditor has made or makes, as appropriate, representations and warranties to each Franc Finance Party under the Franc Subordination Agreement on:

(a) the date of the Franc Subordination Agreement;

(b) the Franc Utilisation Date;

(c) on the first day of each Loan Interest Period; and

(d) on the date of accession of any person to the Franc Subordination Agreement as a new Franc Subordinated Creditor, by that new Franc Subordinated Creditor only.

The representations and warranties relate to the matters which are normally the subject of representations and warranties in subordination agreements including (a) formation, power and authority; (b) validity and enforceability of the Franc Subordination Agreement; and (c) governing law and enforcement.

Undertakings

Each Franc Subordinated Creditor undertakes to the Borrower Facility Agent and the Borrower Security Agent that during the Franc Subordination Period it shall not, without the consent of the Borrower Facility Agent:

(a) demand or receive payment of, or any distribution in respect or on account of (or by reference to), any Franc Subordinated Debt, whether in respect of principal, interest, fees, commission or otherwise and whether in cash or in kind from any source;

(b) allow any Franc Subordinated Debt to be discharged other than as expressly provided for in a Franc Loan Document and/or by way of an issue of equity instruments permitted pursuant to the Franc Loan Agreement;

(c) allow to exist or receive the benefit of any Franc Security, guarantee, indemnity or other assurance against loss in respect of any of the Franc Subordinated Debt;

(d) allow any Franc Subordinated Debt to be evidenced by a negotiable instrument;

(e) other than as expressly provided for in a Franc Loan Document, allow any Franc Junior Liabilities to be subordinated to any person otherwise than in accordance with the Franc Subordination Agreement;

(f) assign, transfer or otherwise dispose of all or any of the Franc Subordinated Debt or all or any of the rights which it may have against any Franc Obligor in respect of all or any of the Franc Subordinated Debt; or

(g) take or omit to take any action which might impair, terminate or adversely affect the priority or subordination achieved or intended to be achieved by the Franc Subordination Agreement.

Each Franc Obligor undertakes to the Borrower Facility Agent and the Borrower Security Agent that during the Franc Subordination Period it shall not, without the consent of the Borrower Facility Agent and with the exception of any Franc Permitted Distribution:

(a) pay, prepay or repay, make or receive any distribution in respect of (or by reference to), any Franc Subordinated Debt, whether in respect of principal, interest, fees, commission or otherwise and whether in cash or kind from any source;

(b) redeem, purchase or acquire or allow any of its subsidiaries or any other person to redeem, purchase or acquire any of the Franc Subordinated Debt;

(c) allow any Franc Subordinated Debt to be discharged other than as expressly provided for in a Franc Loan Document and/or by way of an issue of equity instruments permitted pursuant to the Franc Loan Agreement;

(d) allow to exist or grant any Franc Security, guarantee, indemnity or other assurance against loss in respect of any of the Franc Subordinated Debt;

(e) allow any Franc Subordinated Debt to be evidenced by a negotiable instrument;

(f) allow any Franc Subordinated Debt to be subordinated to any person other than in accordance with the Franc Subordination Agreement; or

(g) take or omit to take any action which might impair, terminate or adversely affect the priority or subordination achieved or intended to be achieved by the Franc Subordination Agreement.

Amendments and Waivers

Without the prior written consent of the Borrower Facility Agent, no amendment, waiver or release is permitted to be made to, or granted in respect of, any Franc Subordinated Documents except for an amendment which:

(a) is a procedural, administrative or other similar change; or

(b) does not prejudice any Liability, any Finance Party or impair the subordination achieved or intended to be achieved by the Franc Subordination Agreement.

Turnover

If any Franc Subordinated Creditor receives:

(a) a payment in cash or in kind or any distribution of, or on account of, or for the purchase or other acquisition of, or otherwise in respect of any of the Franc Subordinated Debt from a Franc Obligor or any other source other than as permitted under any Franc Loan Document;

(b) or recovers any amount by way of set-off in respect of any of the Franc Subordinated Debt owed to it which does not give effect to a payment permitted by the Franc Subordination Agreement; or

(c) the proceeds of any enforcement of any Franc Security or any guarantee or other assurance against financial loss for any Franc Subordinated Debt,

that Franc Subordinated Creditor must:

(i) in relation to the receipts and recoveries described in paragraphs (a) and (c) above, hold the amount received by it (up to a maximum of an amount equal to the Franc Senior Debt) on trust for the Borrower Facility Agent and immediately pay that amount (up to that maximum) to the Borrower Facility Agent for application against the Franc Senior Debt in accordance with the Franc Loan Agreement; and

(ii) in relation to recoveries described in paragraph (b) above, promptly pay an amount equal to that recovery to the Borrower Facility Agent for application against the Franc Senior Debt in accordance with the Franc Loan Agreement.

Enforcement Action

Restriction on Enforcement

Each Franc Subordinated Creditor undertakes that during the Franc Subordination Period, it will not:

(a) accelerate any of the Franc Subordinated Debt or otherwise declare any of the Franc Subordinated Debt prematurely due and payable;

(b) enforce the Franc Subordinated Debt by execution or otherwise;

(c) initiate or support or take any steps with a view to:

(i) any insolvency, liquidation, reorganisation, administration, receivership or dissolution proceedings; or

(ii) any voluntary arrangement or assignment for the benefit of creditors; or

(iii) any similar proceedings,

involving a Franc Obligor, whether by petition, convening a meeting, voting for a resolution or otherwise;

(d) bring or support any legal proceedings against a Franc Obligor (or any of its subsidiaries); or

(e) otherwise exercise any remedy for the recovery of the Franc Subordinated Debt (including without limitation, the exercise of any right of set-off, counterclaim or lien).

Insolvency

The Franc Subordinated Creditors agree that if a Franc Loan Event of Default is continuing in respect of insolvency proceedings relating to any Franc Obligor or on the winding-up, administration, dissolution or any analogous procedure in any jurisdiction with respect to any Franc Subordinated Creditor:

(a) the claims of the Franc Subordinated Creditors in respect of the Franc Subordinated Debt owed by that Franc Obligor will be postponed to the Franc Senior Debt and no amount will be

payable to the Franc Subordinated Creditors in respect of the Franc Subordinated Debt owed by that Franc Obligor nor will any distribution of assets of any kind or character be made to the Franc Subordinated Creditors in respect of the Franc Subordinated Debt owed by that Franc Obligor (whether in cash or in kind); and;

(b) any payment or distribution of assets of that Franc Obligor of any kind or character to which any Franc Subordinated Creditor would have been entitled but for the provisions of the Franc Subordination Agreement described in this section "*Insolvency*" will be paid by any Franc Obligor, or other person making such payment or distribution, to the Borrower Facility Agent for application in accordance with the terms of Franc Loan Agreement.

Accession

Franc Junior Parties

Under the terms of the Franc Subordination Agreement, neither the Franc Obligors nor the Franc Subordinated Creditors may assign or otherwise transfer any of its rights and obligations under the Franc Subordination Agreement, any Franc Subordinated Document or with respect to any Franc Subordinated Debt without the prior written consent of the Borrower Facility Agent.

Finance Parties

Any Finance Party may assign or otherwise dispose of all or any of its rights under the Franc Subordination Agreement in accordance with the terms of the Franc Loan Documents to which it is a party.

New Franc Obligors

If any person:

(a) incurs any Liabilities in relation to the Franc Senior Debt; or

(b) gives any Franc Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities in relation to the Franc Senior Debt,

the Franc Obligors will procure that the person incurring those liabilities or giving that assurance accedes to the Franc Subordination Agreement as a Franc Obligor, contemporaneously with the incurrence of those Liabilities or the giving of that assurance.

The Vanguard Loan

A The Vanguard Loan – Overview

A €120,175,962 loan facility was made available by the Originator pursuant to a loan agreement dated 19 May 2014 between, amongst others, (1) Vanguard Pledgco S.à r.l. ("**Vanguard Pledgeco**"), (2) Vanguard Bidco S.à r.l. ("**Vanguard Bidco**"), Valdichiana Propco S.r.l. ("**Vanguard Italian Bidco**") and La Scaglia S.r.l ("**La Scaglia**", and together with Vanguard Bidco and Vanguard Italian Bidco, the "**Vanguard Original Borrowers**"), (3) the Originator, (4) the Borrower Facility Agent and (5) the Borrower Security Agent (the "**Vanguard Loan Agreement**").

On 22 May 2014 (the "**Vanguard Utilisation Date**"), the Vanguard Original Borrowers borrowed €120,175,962 under the Vanguard Loan Agreement (the "**Vanguard Loan**").

The facilities made available under the Vanguard Loan Agreement were used:

(a) by Vanguard Bidco in an amount drawn by it equal to €21,515,000 (the facility under which such amount was drawn being "**Vanguard Facility A**") in or towards:

(i) payment of Vanguard Financing Costs; and

(ii) on lending amounts to Brindisi to be applied in refinancing the existing financial indebtedness of Brindisi;

(b) by Vanguard Bidco in an amount drawn by it equal to €17,225,000 (the facility under which such amount was drawn being "**Vanguard Facility B**") in or towards:

(i) payment of Vanguard Financing Costs; and

(ii) on lending amounts to Carpi to be applied in refinancing the existing financial indebtedness of Carpi;

(c) by La Scaglia in an amount drawn by it equal to €11,050,000 (the facility under which such amount was drawn being "**Vanguard Facility C**") in or towards:

(i) payment of Vanguard Financing Costs incurred by La Scaglia; and

(ii) refinancing the existing financial indebtedness of La Scaglia;

(d) by Vanguard Italian Bidco in an amount drawn by it equal to €16,994,653 (the facility under which such amount was drawn being "**Vanguard Facility D**") in or towards:

(i) payment of Vanguard Financing Costs; and

(ii) funding the purchase price for Valdichiana under the Brindisi/Carpi/Valdichiana Acquisition Agreement;

(e) by Vanguard Bidco in an amount drawn by it equal to €53,391,309 (the facility under which such amount was drawn being "**Vanguard Facility E**") in or towards:

(i) payment of Vanguard Financing Costs; and

(ii) on lending amounts to Valdichiana (Valdichiana, Brindisi and Carpi being together the "**Vanguard Targets**" and, following their accession to the Vanguard Loan Agreement, the "**Vanguard Additional Borrowers**") to be applied in refinancing the existing financial indebtedness of Valdichiana.

Shortly after the acquisition of the shares in the Vanguard Additional Borrowers by Vanguard Bidco and Vanguard Italian Bidco (and, in any event, on the Vanguard Closing Date):

(a) the Vanguard Loan made under Vanguard Facility A was novated by Vanguard Bidco to Brindisi;

(b) the Vanguard Loan made under Vanguard Facility B was novated by Vanguard Bidco to Carpi; and

(c) the Vanguard Loan made under Vanguard Facility E was novated by Vanguard Bidco to Valdichiana,

in each case, with Vanguard Bidco remaining a party to the Vanguard Loan Agreement as a guarantor.

Upon the novation of the relevant Vanguard Loan to it, each of Carpi, Brindisi and Valdichiana acceded to the Vanguard Loan Agreement as a borrower (together with La Scaglia and Vanguard Italian Bidco, the "**Vanguard Borrowers**") and Carpi and Brindisi acceded to the Vanguard Loan Agreement as a guarantor.

B Terms of the Vanguard Loan

The Vanguard Loan is documented in the Vanguard Loan Agreement which is governed by English law. A summary of the principal terms of the Vanguard Loan Agreement is set out below. The Vanguard Loan provides for the appointment of CBRE Loan Servicing Limited as the Borrower Facility Agent on behalf of the lenders under the Vanguard Loan Agreement and the Borrower Security Agent on behalf of the Vanguard Finance Parties.

For the purposes of the Vanguard Loan Agreement:

"**Brindisi Acquisition**" means the acquisition by Vanguard Bidco of the quota representing the entire issued share capital of Brindisi.

"**Brindisi Acquisition Document**" each of the Brindisi/Carpi/Valdichiana Acquisition Agreement and each other document entered into by a Vanguard Obligor and a Vanguard Vendor in connection with the Brindisi Acquisition.

"**Brindisi Reports**" means each of:

(a) the financial due diligence report in respect of Brindisi (including analysis of distributable reserves), prepared by PricewaterhouseCoopers LLP;

(b) the legal due diligence report in respect of Brindisi, prepared by Chiomenti Studio Legale;

(c) the tax due diligence report in respect of Brindisi, prepared by Studio Pirola;

(d) the technical and environmental due diligence report in respect of the Brindisi Property, prepared by CBRE; and

(e) the 20 years notarial report dated on or about the date of the Vanguard Loan Agreement relating to the Brindisi Property,

in each case, including any supplement or addendum to that report.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Milan and Luxembourg, and which is a Target Day.

"**Carpi Acquisition**" means the acquisition by Vanguard Bidco of the quota representing the entire issued share capital of Carpi.

"**Carpi Acquisition Document**" each of the Brindisi/Carpi/Valdichiana Acquisition Agreement and each other document entered into by a Vanguard Obligor and a Vanguard Vendor in connection with the Carpi Acquisition.

"**Carpi Reports**" means each of:

(a) the financial due diligence report in respect of Carpi (including analysis of distributable reserves), prepared by PricewaterhouseCoopers LLP;

(b) the legal due diligence report in respect of Carpi, prepared by Chiomenti Studio Legale;

(c) the tax due diligence report in respect of Carpi, prepared by Studio Pirola;

(d) the technical and environmental due diligence report in respect of the Carpi Property, prepared by CBRE; and

(e) the 20 years notarial report dated on or about the date of the Vanguard Loan Agreement relating to the Carpi Property,

in each case, including any supplement or addendum to that report.

"**Facility A Commitment**" means the commitment of any lender under the Vanguard Loan Agreement in respect of Vanguard Facility A to the extent not cancelled, reduced or transferred by it under the Vanguard Loan Agreement or deemed to be zero pursuant to the terms of the Vanguard Loan Agreement. The Vanguard Loan Agreement provides that (unless otherwise agreed by the Borrower Facility Agent (acting on the instructions of the Vanguard Majority Lenders)) the Vanguard Commitments held by a Vanguard Restricted Lender or in respect of which a Vanguard Restricted Lender has an interest as a result of a sub-participation or any other agreement or arrangement having an economic effect substantially similar to a sub-participation, shall be deemed to be zero for the purposes of ascertaining the Vanguard Majority Lenders or whether any given percentage of the Vanguard Commitments or loans has been obtained to approve any request for a consent, waiver, amendment or other vote under the Vanguard Loan Documents.

"**Facility B Commitment**" means the commitment of any lender under the Vanguard Loan Agreement in respect of Vanguard Facility B to the extent not cancelled, reduced or transferred by it under the Vanguard Loan Agreement or deemed to be zero pursuant to the terms of the Vanguard Loan Agreement (as described in the definition of "*Facility A Commitment*" above).

"**Facility C Commitment**" means the commitment of any lender under the Vanguard Loan Agreement in respect of Vanguard Facility C to the extent not cancelled, reduced or transferred by it under the Vanguard Loan Agreement or deemed to be zero pursuant to the terms of the Vanguard Loan Agreement (as described in the definition of "*Facility A Commitment*" above).

"**Facility D Commitment**" means the commitment of any lender under the Vanguard Loan Agreement in respect of Vanguard Facility D to the extent not cancelled, reduced or transferred by it under the Vanguard Loan Agreement or deemed to be zero pursuant to the terms of the Vanguard Loan Agreement (as described in the definition of "*Facility A Commitment*" above).

"**Facility E Commitment**" means the commitment of any lender under the Vanguard Loan Agreement in respect of Vanguard Facility E to the extent not cancelled, reduced or transferred by it under the Vanguard Loan Agreement or deemed to be zero pursuant to the terms of the Vanguard Loan Agreement (as described in the definition of "*Facility A Commitment*" above).

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**La Scaglia Acquisition**" means the acquisition by Vanguard Bidco of the quota representing the entire issued share capital of La Scaglia.

"**La Scaglia Acquisition Document**" each of the La Scaglia Acquisition Agreement and each other document entered into by a Vanguard Obligor and a Vanguard Vendor in connection with the La Scaglia Acquisition.

"**La Scaglia Reports**" means each of:

(a) the financial due diligence report in respect of La Scaglia (including analysis of distributable reserves), prepared by PricewaterhouseCoopers LLP;

(b) the legal due diligence report in respect of La Scaglia and the supplemental memorandum entitled "Update on the status of the litigation between La Scaglia - Le Palme", each prepared by Shearman & Sterling (London) LLP;

(c) the tax due diligence report in respect of La Scaglia, prepared by Studio Pirola;

(d) the technical and environmental due diligence report in respect of the La Scaglia Property, prepared by CBRE; and

(e) the 20 years notarial report dated on or about the date of the Vanguard Loan Agreement relating to the La Scaglia Property,

in each case, including any supplement or addendum to that report.

"**Loan Interest Period Date**" means:

(a) in relation to the Vanguard Loan, 22 February, 22 May, 22 August, 22 November, in each year, provided that the first Loan Interest Period Date relating to the Vanguard Loan shall be 22 November 2014 (or, in each case, if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day); and

(b) in relation to any Vanguard Unpaid Sum, the last day of the Vanguard Interest Period relevant to that Vanguard Unpaid Sum.

"**Valdichiana Acquisition**" means the acquisition by Vanguard Italian Bidco of the quota representing the entire issued share capital of Valdichiana.

"**Valdichiana Acquisition Document**" each of the Brindisi/Carpi/Valdichiana Acquisition Agreement and each other document entered into by a Vanguard Obligor and a Vanguard Vendor in connection with the Valdichiana Acquisition.

"**Valdichiana Reports**" means each of:

(a) the financial due diligence report in respect of Valdichiana, prepared by PricewaterhouseCoopers LLP;

(b) the legal due diligence report in respect of Valdichiana, prepared by Chiomenti Studio Legale;

(c) the tax due diligence report in respect of Valdichiana, prepared by Studio Pirola;

(d) the technical and environmental due diligence report in respect of the Valdichiana Property, prepared by CBRE; and

(e) the 20 years notarial report dated on or about the date of the Vanguard Loan Agreement relating to the Valdichiana Property,

in each case, including any supplement or addendum to that report.

"**Vanguard Account Backstop Date**" means the date falling 90 days after the Vanguard Utilisation Date or, if later, the first date under applicable law by which the Vanguard Borrowers Existing Accounts are permitted to be closed.

"**Vanguard Accounting Principles**" means in relation to each Vanguard Obligor, IFRS or the accounting standards generally accepted in the jurisdiction of incorporation of that Vanguard Obligor.

"**Vanguard Acquisition Agreement**" means each of the Brindisi/Carpi/Valdichiana Acquisition Agreement and the La Scaglia Acquisition Agreement

"**Vanguard Acquisition Documents**" means each of:

(a) the Brindisi Acquisition Documents;

(b) the Carpi Acquisition Documents;

(c) the La Scaglia Acquisition Documents; and

(d) the Valdichiana Acquisition Documents..

"**Vanguard Acquisitions**" means each of:

(a) the Brindisi Acquisition;

(b) the Carpi Acquisition;

(c) the La Scaglia Acquisition; and

(d) the Valdichiana Acquisition.

"**Vanguard Affiliate**" means, in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company.

"**Vanguard ALA Excess**" means, in relation to a Vanguard Property and on any date, an amount equal to the Vanguard Release Price in respect of that Vanguard Property minus the Vanguard Allocated Loan Amount of that Vanguard Property on that date.

"**Vanguard Allocated Loan Amount**" means, in relation to a Vanguard Property:

(a) in relation to the Brindisi Property, €21,515,000;

(b) in relation to the Carpi Property, €17,225,000;

(c) in relation to the La Scaglia Property, €11,050,000;

(d) in relation to the Valdichiana Property, €70,385,962;

in each case as reduced from time to time as described in "*Order of application*" below.

"**Vanguard Approved Asset Manager**" means:

(a) Vanguard Investor Affiliate; or

(b) any other person as may be agreed by Vanguard Bidco and the Borrower Facility Agent.

"**Vanguard Approved Property Manager**" means:

(a) Vanguard Investor Affiliate; or

(b) any other person as may be agreed by Vanguard Bidco and the Borrower Facility Agent.

"**Vanguard Asset Management Agreement**" means the Vanguard Initial Asset Management Agreement and each Vanguard New Asset Management Agreement, as the case may be.

"**Vanguard Asset Manager**" means each of, from time to time:

(a) the Vanguard Initial Asset Manager; and

(b) a Vanguard Approved Asset Manager,

in each case, to the extent appointed as asset manager of one or more of the Vanguard Properties (or any part thereof) pursuant to a Vanguard Asset Management Agreement (which has not been terminated) and provided that there may be multiple Vanguard Asset Managers in respect of different responsibilities in relation to the Vanguard Property at any time.

"**Vanguard Borrower Delegate**" means any delegate, agent, attorney, manager or co-trustee appointed by the Borrower Facility Agent or the Borrower Security Agent.

"**Vanguard Borrower Receiver**" means a receiver, manager or receiver and manager or administrative receiver of the whole or any part of the Vanguard Charged Property subject to Vanguard Loan Security governed by a law other than Italian law.

"**Vanguard Break Costs**" means:

(a) in respect of any prepayment which is made in the period between (but excluding) a Loan Payment Date and the last day of the then current Loan Interest Period, the amount (if any) by which:

(i) the interest (including the applicable Vanguard Margin on any portion of the Vanguard Loans subject to a Vanguard Securitisation at such time but excluding Vanguard Margin on any portion of the Vanguard Loans not subject to a Vanguard Securitisation at such time) which a lender under the Vanguard Loan Agreement should have received for the period from the immediately subsequent Loan Interest Period Date to the last day of the Loan Interest Period commencing on that immediately subsequent Loan Interest Period Date in respect of that Vanguard Loan, had the principal amount not been received;

exceeds:

(ii) the amount which that lender would be able to obtain by placing an amount equal to the principal amount received by it on deposit with a leading bank in the London interbank market for a period starting on the immediately subsequent Loan Interest Period Date and ending on the last day of the Loan Interest Period commencing on that immediately subsequent Loan Interest Period Date; and

(b) otherwise, the amount (if any) by which:

(i) the interest (including the applicable Vanguard Margin on any portion of the Vanguard Loans subject to a Vanguard Securitisation at such time but excluding Vanguard Margin on any portion of the Vanguard Loans not subject to a Vanguard Securitisation at such time) which a lender under the Vanguard Loan Agreement should have received for the period from the date of receipt of all or any part of its participation in a Vanguard Loan or Vanguard Unpaid Sum to the last day of the current Interest Period in respect of that Vanguard Loan or Vanguard Unpaid Sum, had the principal amount or Vanguard Unpaid Sum received been paid on the last day of that Loan Interest Period;

exceeds:

(ii) the amount which that lender would be able to obtain by placing an amount equal to the principal amount or Vanguard Unpaid Sum received by it on deposit with a leading bank in the London interbank market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Loan Interest Period.

"**Vanguard Capex Project**" means:

(a) effecting, carrying out or permitting any demolition, reconstruction, redevelopment or rebuilding of or any structural alteration to the Vanguard Property (including, for the avoidance of doubt, in respect of any tenant's interest under a Vanguard Occupational Lease); or

(b) incurring capital expenditure in respect of works of alteration, addition, maintenance, repair, improvement, refurbishment and/or extension to the Vanguard Property.

"**Vanguard Cash Trap Event**" means, on any Loan Payment Date:

(a) that is a Vanguard LTV Test Date, the Vanguard LTV Ratio is greater than 77.5%; or

(b) the Vanguard ICR for the Vanguard Relevant Period ending on the Vanguard Test Date falling immediately prior to that Loan Payment Date was less than 2.00:1.

"**Vanguard Charged Property**" means all of the assets of the members of the Vanguard Group which from time to time are, or are expressed to be, the subject of the Vanguard Loan Security.

"**Vanguard Closing Date**" means the date on which completion of the Vanguard Acquisitions (other than the La Scaglia Acquisition) occurred, being 22 May 2014.

"**Vanguard Commitments**" means the Facility A Commitment, the Facility B Commitment, the Facility C Commitment, the Facility D Commitment and the Facility E Commitment.

"**Vanguard Corporate Expenses**" means, in relation to each Vanguard Obligor, all day-to-day corporate operating expenditure of those entities including, without limitation, audit and accountancy, legal, registration, trustee, manager, property advisers, tax advisers and domiciliation fees and expenses and expenditure relating to advertising, marketing, payroll and related taxes, computer processing charges, operational equipment and other finance lease payments (but excluding, for the avoidance of doubt, any property or asset management fees (howsoever described) and any Vanguard Rent Collection Fees).

"**Vanguard Counterparty**" means any bank or financial institution party to a Vanguard Hedging Agreement.

"**Vanguard Debt Purchase Transaction**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Vanguard Commitment or amount outstanding under the Vanguard Loan Agreement.

"**Vanguard Default**" means a Vanguard Loan Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Vanguard Loan Documents or any combination of any of the foregoing) be a Vanguard Loan Event of Default.

"**Vanguard Disposal Costs**" has the meaning given to it in the definition of Vanguard Property Disposal Proceeds.

"**Vanguard Disposal Taxes**" has the meaning given to it in the definition of Vanguard Property Disposal Proceeds.

"**Vanguard Duty of Care Agreement**" means each agreement executed by a property manager or an asset manager in favour of the Borrower Security Agent and/or the Borrower Facility Agent in relation to the management of all or any part of the Vanguard Properties in the agreed form or otherwise in a form and substance satisfactory to the Borrower Facility Agent (acting reasonably).

"**Vanguard Environmental Permits**" means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Vanguard Environmental Law for the operation of the business of any Vanguard Obligor conducted on or from any of the Vanguard Properties.

"**Vanguard Equity Contributions**" means an amount which is contributed to Vanguard Pledgeco in cash by way of capital contribution (other than a capital contribution constituting Vanguard Financial Indebtedness) or subscription for shares in Vanguard Pledgeco and contributed or invested (if required) by the Vanguard Pledgeco directly or indirectly to or in the relevant Vanguard Obligor(s) by way of capital contribution (other than a capital contribution constituting Vanguard Financial Indebtedness) or subscription for shares in the relevant Vanguard Obligor(s).

"**Vanguard Escrow Agreement**" means each Vanguard Acquisition Document which is an escrow agreement.

"**Vanguard Excluded Recovery Proceeds**" means any proceeds of a Vanguard Recovery Claim which Vanguard Bidco notifies the Borrower Facility Agent are, or are to be, applied:

(a) to satisfy (or reimburse a member of the Vanguard Group which has discharged) any liability, charge or claim upon a member of the Vanguard Group by a person which is not a member of the Vanguard Group; and/or

(b) in the replacement, reinstatement and/or repair of assets or property of members of the Vanguard Group which have been lost, destroyed or damaged,

in each case in relation to that Vanguard Recovery Claim.

"**Vanguard Facility D February 2015 Debt Service Amount**" means the aggregate of the amounts due and payable pursuant to the Vanguard Loan Agreement in respect of the Vanguard Loan made under Vanguard Facility D on the Loan Payment Date falling in February 2015.

"**Vanguard Finance Party**" means each of the Borrower Facility Agent, any lender under the Vanguard Loan Agreement, Goldman Sachs International as mandated lead arranger, the Borrower Security Agent and any Vanguard New Finance Party.

"**Vanguard Financial Indebtedness**" means any indebtedness for or in respect of:

(a) monies borrowed or raised and debit balances at banks or other financial institutions;

(b) any amount raised by acceptance under any acceptance credit facility or by a bill discounting or factoring credit facility (or dematerialised equivalent);

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract or other agreement which would, in accordance with the Vanguard Accounting Principles, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non recourse basis);

(f) any treasury transaction (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that treasury transaction, that amount) at the time of calculation shall be taken into account);

(g) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount raised by the issue of redeemable shares;

(i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or (ii) the agreement is in respect of the supply of assets or services and payment is due more than one hundred and eighty (180) days past the period customarily allowed by the relevant supplier to its customers generally for deferred payment;

(j) any arrangement pursuant to which an asset sold or otherwise disposed of by a person may be re-acquired by that person (whether following the exercise of an option or otherwise);

(k) any amount raised under any other transaction (including any forward sale or purchase agreement sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and

(l) (without double counting) the amount of any liability in respect of any guarantee or indemnity or similar assurance loss for any of the items referred to in the preceding paragraphs of this definition and any agreement to maintain the solvency of any person whether by investing in, lending to or purchasing the assets of such person.

"**Vanguard Financial Quarter**" means each financial quarter of the Vanguard Group being each three (3) Month period expiring on 31 March, 30 June, 30 September and 31 December in each year.

"**Vanguard Financial Year**" means each financial year of the Vanguard Group being each twelve (12) Month period expiring on 31 December in each year.

"**Vanguard Financing Costs**" means all fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by a member of the Vanguard Group directly or indirectly in connection with the Vanguard Loan Documents.

"**Vanguard Group**" means Vanguard Pledgeco and each of its subsidiaries from time to time.

"**Vanguard Guarantor**" means Vanguard Bidco, Vanguard Pledgeco, Vanguard Italian Bidco, Brindisi, Carpi, La Scaglia and any further entities that accede to the Vanguard Loan Agreement as a guarantor.

"**Vanguard Hedging Agreement**" means each Vanguard Borrower Cap Agreement and each other document entered into by a Vanguard Borrower (other than Vanguard Bidco) evidencing or relating to any interest or currency swap, cap, floor, collar or option transaction or any other treasury transaction or any combination of the same or any other transaction entered into in connection with protection against or benefit from fluctuation in interest or currency rates or in any other rate, index or return howsoever described.

"**Vanguard Initial Asset Manager**" means:

(a) in respect of the La Scaglia Property, the Brindisi Property and the Carpi Property, Multi Asset Management B.V.; and

(b) in respect of the Valdichiana Property, Added Value Management S.R.L..

"**Vanguard Initial Asset Management Agreement**" means:

(a) the agreement between Carpi and the Vanguard Initial Asset Manager in respect of the Carpi Property dated on or around the Vanguard Utilisation Date;

(b) the agreement between Brindisi and the Vanguard Initial Asset Manager in respect of the Brindisi Property dated on or around the Vanguard Utilisation Date;

(c) the agreement between La Scaglia and the Vanguard Initial Asset Manager in respect of the La Scaglia Property dated on or around the Vanguard Utilisation Date; and

(d) the agreement between Valdichiana and the Vanguard Initial Asset Manager in respect of the Valdichiana Property dated on or around the Vanguard Utilisation Date,

in each case, in relation to the asset management of the relevant Vanguard Property or Vanguard Properties.

"**Vanguard Initial Debt Service Deposit Amount**" means €406,832.

"**Vanguard Initial Property Management Agreement**" means each of:

(a) the agreement between Carpi and the Vanguard Initial Property Manager in respect of the Carpi Property dated 5 December 2008 (as amended on 8 March 2010);

(b) the agreement between Brindisi and the Vanguard Initial Property Manager in respect of the Brindisi Property dated 5 December 2008 (as amended on 8 March 2010);

(c) the agreement between La Scaglia and the Vanguard Initial Property Manager in respect of the La Scaglia Property dated 1 January 2010 (as amended and/or restated prior to the date of this Agreement); and

(d) the agreement between Valdichiana and the Vanguard Initial Property Manager in respect of the Valdichiana Property dated on or around the Vanguard Utilisation Date,

in each case, in relation to the management and maintenance of the relevant Vanguard Property or Vanguard Properties.

"**Vanguard Initial Property Manager**" means:

(a) in respect of the Brindisi Property and the Carpi Property, CBRE Espansione Commerciale S.r.l.;

(b) in respect of the La Scaglia Property, Cushman & Wakefield LLP; and

(c) in respect of the Valdichiana Property, Added Value Management S.R.L..

"**Vanguard Insurance Policy**" means any policy of insurance or assurance in which a Vanguard Obligor may at any time have an interest entered into in accordance with the Vanguard Loan Agreement.

"**Vanguard Insurance Proceeds Expenses**" means any reasonable fees, costs and expenses in relation to any insurance claim which are incurred by any member of the Vanguard Group to persons who are not members of the Vanguard Group.

"**Vanguard Investor Affiliate**" means a Vanguard Investor and The Blackstone Group L.P., each of their respective Vanguard Affiliates, any trust of which either of them or any of their respective Vanguard Affiliates is a trustee, any partnership of which either of them or any of their respective Vanguard Affiliates is a partner and any trust, fund or other entity which is managed by, or is under the control of, either of them or any of their respective Vanguard Affiliates provided that any trust, fund or other entity which has been established for at least six (6) months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by a Vanguard Investor or The Blackstone Group

L.P. or any of their respective Vanguard Affiliates which have been established for the primary or main purpose of investing in the share capital of companies shall not constitute a Vanguard Investor Affiliate.

"**Vanguard Investor**" means any fund or other entity managed, advised and/or controlled by The Blackstone Group L.P. and/or any of its Vanguard Affiliates.

"**Vanguard Investor Debt**" means any Vanguard Financial Indebtedness owed by Vanguard Pledgeco to any of its holding companies provided that (unless that Borrower Facility Agent (acting on the instructions of the Vanguard Majority Lenders) agrees otherwise in writing) such Vanguard Financial Indebtedness is subordinated to the Vanguard Secured Liabilities under the terms of the Vanguard Subordination Agreement.

"**Vanguard Irrecoverable Service Charge Expenses**" means any amount:

(a) in respect of any management, maintenance, insurance, repair or similar expense or in respect of the provision of services relating to any Vanguard Property to the extent that such amount is not recoverable from a tenant; or

(b) which any Vanguard Obligor is obliged to discharge in respect of any unlet part of any Vanguard Property or in respect of any shortfall in Vanguard Service Charge Proceeds,

other than, in each case, any amount in respect of asset management fees, Vanguard Property Taxes, Vanguard Registration Taxes, Vanguard Rent Collection Fees or any corporation or other tax on income or profits.

"**Vanguard Lease**" means any present or future agreement to let (*locazione*) or sub-lease (*sub-locazione*) all or any part of any Vanguard Property (including, for the avoidance of any doubt, any Vanguard Operating Lease).

"**Vanguard Legal Due Diligence Report**" means each of the following reports:

(a) the legal due diligence report in respect of Brindisi, prepared by Chiomenti Studio Legale;

(b) the legal due diligence report in respect of Carpi, prepared by Chiomenti Studio Legale;

(c) the legal due diligence report in respect of La Scaglia and any relevant supplemental memorandum to such report delivered as a condition precedent to the utilisation of the Vanguard Loans; and

(d) the legal due diligence report in respect of Valdichiana, prepared by Chiomenti Studio Legale.

"**Vanguard Loan Document**" means each of the Vanguard Loan Agreement, any Vanguard Loan Security Agreement, the Vanguard Subordination Agreement, each accession letter pursuant to which a Vanguard Target acceded to the Vanguard Loan Agreement as a borrower or a guarantor, each fee letter, each Vanguard Duty of Care Agreement, any utilisation request and any other document designated as a "Loan Document" by the Borrower Facility Agent and Vanguard Bidco (including certain other side agreements and letters entered into on or prior to the Vanguard Closing Date).

"**Vanguard Loan Security**" means the Vanguard Security created or expressed to be created pursuant to the Vanguard Loan Security Agreements.

"**Vanguard Loan Security Agreements**" means each of (a) the security agreements described in "*The Vanguard Loan Security*" below pursuant to which a Vanguard Obligor has created Vanguard Security to secure the obligations of all or some of the Vanguard Obligors under the Vanguard Loan Documents (b) any other document entered into at any time by any Vanguard Obligor creating any guarantee, indemnity, Vanguard Security or other assurance against financial loss in favour of any of the Vanguard Finance Parties as Vanguard Security for any of the Vanguard Secured Liabilities and (c) any Vanguard Security granted under any covenant for further assurance in any of those documents.

"**Vanguard Loan Transaction Documents**" means each of the following: (a) each of the Vanguard Loan Documents; (b) each of the acquisition documents entered into in connection with the Vanguard Acquisition; (c) each Vanguard Occupational Lease and each agreement to grant a Vanguard

Occupational Lease; (d) each property management agreement or asset management agreement entered into by a Vanguard Obligor and permitted by the Vanguard Loan Agreement; (e) each other document designated as such by Vanguard Bidco and the Borrower Facility Agent.

"**Vanguard Majority Lenders**" means:

(a) if there is no Vanguard Loan outstanding, a lender or lenders under the Vanguard Loan Agreement whose Vanguard Commitments aggregate more than 662/3 per cent. of the Vanguard Total Commitments (or, if the Vanguard Total Commitments have been reduced to zero, aggregated more than 662/3 per cent. of the Vanguard Total Commitments immediately prior to that reduction);

(b) at any other time, a lender or lenders under the Vanguard Loan Agreement whose participations in the Vanguard Loans then outstanding aggregate more than 66⅔% of all the Vanguard Loans then outstanding.

"**Vanguard Mandated Lead Arranger**" means Goldman Sachs International.

"**Vanguard Margin**" means:

(a) prior to the date on which both the completion of the Valdichiana Merger has occurred and the requirements of the Vanguard Loan Agreement in connection with the completion of the Valdichiana Merger have been complied with (the "**Margin Reduction Date**"), 3.90 per cent. per annum; and

(b) thereafter, 3.65 per cent. per annum,

provided that, if the Margin Reduction Date falls on a date other than the first or last day of a Loan Interest Period, the Vanguard Margin in respect of the Loan Interest Period during which the Margin Reduction Date falls shall be 3.65 per cent. per annum.

"**Vanguard Material Adverse Effect**" means a material adverse effect on:

(a) the consolidated business, assets or financial condition of the Vanguard Obligors taken as a whole;

(b) the ability of the Vanguard Obligors (taken together) to perform their payment obligations under the Vanguard Loan Documents; or

(c) subject to certain legal reservations and the perfection requirements, the validity or enforceability of, or the effectiveness or ranking of, the Vanguard Loan Security.

"**Vanguard Net Rental Income**" means the Vanguard Rental Income in respect of the Vanguard Properties after deducting (without double counting):

(a) all Vanguard Service Charge Proceeds in relation to the Vanguard Properties;

(b) any sum representing any VAT chargeable in respect of Vanguard Rental Income;

(c) Vanguard Irrecoverable Service Charge Expenses in relation to the Vanguard Properties to the extent withdrawn from a Vanguard Borrower Rental Income Account as described in "*Vanguard Borrower Rental Income Account*" below;

(d) Vanguard Registration Taxes;

(e) Vanguard Property Taxes; and

(f) Vanguard Rent Collection Fees.

"**Vanguard New Asset Management Agreement**" means each management agreement between any Vanguard Obligor and a Vanguard Asset Manager which replaces the Vanguard Initial Asset Management Agreement or any other Vanguard New Asset Management Agreement in relation to the asset management of any Vanguard Property:

(a) in the agreed form;

(b) the material terms of which are consistent with those of the existing Vanguard Asset Management Agreement it replaces; or

(c) which is otherwise in form and substance satisfactory to the Borrower Facility Agent (acting reasonably).

"**Vanguard New Finance Party**" means any entity that a lender assigns any of its rights and benefits under the Vanguard Loan Agreement to in accordance with the terms of the Vanguard Loan Agreement.

"**Vanguard New Property Management Agreement**" means each management agreement between any Vanguard Obligor and a Vanguard Property Manager in relation to the management and/or maintenance of any Vanguard Property:

(a) in the agreed form;

(b) the material terms of which are consistent with those of the existing Vanguard Property Management Agreement it replaces; or

(c) which is otherwise in form and substance satisfactory to the Facility Agent (acting reasonably),

provided that any agreement in relation to the management and/or maintenance of "common areas" which include any part of any Vanguard Property and in respect of which a property manager (or equivalent) can only be appointed or removed with the consent of the members of the consortia of owners in respect of those common areas shall not be deemed to be a "Vanguard New Property Management Agreement" for any purpose under any Vanguard Loan Document.

"**Vanguard Obligor**" means each of the Vanguard Borrowers and the Vanguard Guarantors.

"**Vanguard Occupational Lease**" means any Vanguard Lease to which any Vanguard Obligor's interest in a Vanguard Property may be subject from time to time.

"**Vanguard Operating Lease**" means any lease (*affitto di ramo d'azienda*) pursuant to Article 2562 of the Italian Civil Code, together with any renewal of any such lease, in relation to all or any part of any Vanguard Property entered into by and between any Vanguard Obligor and any tenant from time to time.

"**Vanguard Permitted Capex Project**" means any Vanguard Capex Project which:

(a) the entire cost of is recoverable from the tenants of a Vanguard Property by way of Vanguard Service Charge Proceeds;

(b) is required to be undertaken by law and which can be and is (when required to be funded) funded from amounts standing to the credit of the Vanguard Borrower General Accounts or the proceeds of new Vanguard Equity Contributions;

(c) is necessary to ensure that no Vanguard Loan Event of Default occurs in relation to major damage to a Vanguard Property and which can be and is (when required to be funded) funded from amounts standing to the credit of the Vanguard Borrowers General Accounts and any Vanguard Excluded Insurance Proceeds that the relevant insurer has committed to advance under any insurance policy;

(d) constitutes tenant improvements which:

(i) have been contracted on an arm's length basis; and

(ii) are required to be undertaken by a Vanguard Obligor by the terms of a Vanguard Occupational Lease; and

(iii) are funded from amounts standing to the credit of the Vanguard Borrowers General Accounts (including any amounts credited into a Vanguard Borrowers General Account in connection with tenant improvements) or the proceeds of new Vanguard Equity Contributions;

(e) can be and is (when required to be funded) funded from amounts standing to the credit of the Vanguard Borrowers General Accounts provided that the aggregate cost of such Vanguard Capex Projects do not exceed €4,000,000 in any Vanguard Financial Year; or

(f) is permitted to be undertaken by a tenant under the terms of the relevant Vanguard Occupational Lease and is to be taken at the cost of that tenant.

"**Vanguard Permitted Disposal**" means:

(a) a disposal of non-real estate assets which are either:

(i) no longer required for the operation of the business of the relevant Vanguard Obligor;

(ii) obsolete for the purpose for which such assets are normally used where such disposal is for cash; or

(iii) made in the ordinary course of trading of any asset;

(b) any disposal of any asset (other than of any Vanguard Property or of the shares or quota of any Vanguard Obligor) made in order to comply with an order of any agency of state, authority, other regulatory body or any applicable law or regulation;

(c) any disposal of all or part of any Vanguard Property made in order to comply with an order of any agency of state, authority, other regulatory body or any applicable law or regulation provided that:

(i) in the case of a disposal of part, the Vanguard Property Disposal Proceeds relating to such disposal are paid upon receipt by the relevant Vanguard Obligor into the Vanguard Prepayment Account; and

(ii) in the case of a disposal of full, an amount not less than the Vanguard Permitted Property Disposal Prepayment Proceeds for such disposed asset is paid into the Vanguard Prepayment Account (such payment being funded from the Vanguard Property Disposal Proceeds in respect of that disposal and/or proceeds of Vanguard Equity Contribution(s) and/or subordinated loan(s)) provided that, for the purpose of calculating the Vanguard Permitted Property Disposal Prepayment Proceeds for such disposal in relation to this paragraph (ii), the Vanguard Release Price shall be 100% of the Vanguard Allocated Loan Amount of the Vanguard Property being disposed of,

provided, in each case, that such amounts are available without restriction (whether resulting from corporate restrictions on distributions or otherwise) for application in prepayment as described in "*Prepayment of Vanguard Recovery Claims, Vanguard Property Disposal Prepayment Proceeds, Vanguard Property Disposal Prepayment Proceeds, Vanguard Property Disposal Proceeds and Vanguard Insurance Proceeds*" and "*Order of application*" below;

(d) a disposal of an asset (other than a Vanguard Borrowers Account, any Vanguard Property or the shares or quota in a Vanguard Obligor) made by a Vanguard Obligor (the "**Disposing Vanguard Obligor**") to another Vanguard Obligor (the "**Acquiring Vanguard Obligor**") provided that if the Disposing Vanguard Obligor had given Vanguard Security over the relevant asset, the Acquiring Vanguard Obligor must give equivalent Vanguard Security over that asset;

(e) expenditure of cash for purposes in compliance with the Vanguard Loan Documents;

(f) any disposal pursuant to or by way of an agreement to grant a Vanguard Occupational Lease and/or a Vanguard Occupational Lease existing on the date of the Vanguard Loan Agreement or permitted by the Vanguard Loan Agreement;

(g) a disposal of an asset (other than any Vanguard Property or the shares or quota of a Vanguard Obligor) made with the prior written consent of the Vanguard Majority Lenders;

(h) a disposal arising as a result of Vanguard Permitted Security;

(i) any disposal provided that the aggregate outstanding principal amount of the Vanguard Loans are repaid and all other Vanguard Secured Liabilities are irrevocably discharged in full on or prior to completion of such disposal;

(j) a Vanguard Permitted Property Disposal;

(k) any other disposals where the aggregate value of the assets so disposed of by members of the Vanguard Group (other than as permitted as described in paragraphs (a) to (j) above) in any Vanguard Financial Year does not exceed €50,000 (or its currency equivalent); and

(l) a disposal of any part of the Valdichiana Property in accordance with and the required by the terms of the Vanguard Swap Agreement.

"**Vanguard Permitted Distribution**" means any distribution by any Vanguard Obligor provided that such distribution:

(a) constitutes the making of a dividend by La Scaglia in an aggregate amount not exceeding €7,900,000 arising as a result of a capital reduction approved prior to the date of the Vanguard Loan Agreement; or

(b) in relation to Valdichiana, is made in accordance with the requirements of the Vanguard Loan Agreement described in "*Vanguard Distribution Undertakings*" below and which is deposited into the Vanguard Italian Bidco Debt Service Reserve Account in accordance with "*Vanguard Borrowers Rental Income Accounts*" and/or "*Vanguard Borrowers Cash Trap Accounts*" below; or

(c)

(i) is made when no Vanguard Default is continuing (unless such Vanguard Default could be remedied by making such distribution);

(ii) would not result in a Vanguard Default occurring;

(iii) if it is a distribution of cash, is made out of monies standing to the credit of a Vanguard Borrowers General Account (other than any monies standing to the credit of the Vanguard Borrowers General Account which have been transferred to that Vanguard Borrowers General Account for any specific purpose in accordance with the Vanguard Loan Agreement);

(iv) if it is a distribution other than of cash, arises as a result of the declaration by the relevant Vanguard Obligor of a dividend which solely creates a liability owed by that Vanguard Obligor to its direct holding company provided that such liability also constitutes a subordinated loan; and

(v) in relation to Valdichiana only, is made from the distributable reserves of Valdichiana in respect of the previous Vanguard Financial Year which remain available to be distributed after:

(A) the making by Valdichiana of a distribution from the distributable reserves of Valdichiana in respect of the previous Vanguard Financial Year in accordance with the requirements of the Vanguard Loan Agreement described in "*Vanguard Distribution Undertakings*" below; and

(B) the deposits of amounts resolved to be distributed to Vanguard Italian Bidco into the Vanguard Italian Bidco Debt Service Reserve Account in accordance with the terms of the Vanguard Loan Agreement.

"**Vanguard Permitted Financial Indebtedness**" means any Vanguard Financial Indebtedness:

(a) arising under any Vanguard Loan Document;

(b) arising under any permitted treasury transaction;

(c) that is Vanguard Investor Debt;

(d) arising under any Vanguard Permitted Loan;

(e) funded by BRE/Europe 7NQ S.à r.l. in the amount of €7,000,000 to Vanguard Bidco by way of funding for the payment of the deposit payable under the Brindisi/Carpi/Valdichiana Acquisition Agreement provided that all amounts owed by Vanguard Bidco to BRE/Europe 7NQ S.à r.l. are discharged on or before the Vanguard Closing Date; or

(f) not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed €250,000 in aggregate at any time (or, if applicable, the equivalent in another currency).

"**Vanguard Permitted Guarantee**" means:

(a) any guarantee under any Vanguard Loan Document;

(b) any guarantee given in the ordinary course of business not exceeding (when aggregated with the maximum liability under any other guarantee which is a Vanguard Permitted Guarantee for the purposes of this paragraph (b)), €250,000 at any time;

(c) any guarantee of Vanguard Permitted Financial Indebtedness falling within paragraph (f) of the definition of Vanguard Permitted Financial Indebtedness; or

(d) any guarantee given in respect of the netting or set off arrangements permitted pursuant to paragraph (d) of the definition of Vanguard Permitted Security.

"**Vanguard Permitted Letting Activity**" means any Vanguard Letting Activity:

(a) made by way of the grant of a Vanguard Occupational Lease in accordance with the terms of:

(i) an agreement to grant a Vanguard Occupational Lease entered into prior to the Vanguard Closing Date, the terms of which have been disclosed pursuant to a Vanguard Legal Due Diligence Report; or

(ii) an agreement to grant a Vanguard Occupational Lease entered into in accordance with the terms of the Vanguard Loan Agreement;

(b) the grant (whether by grant of rights, lease, licence or otherwise) of rights of occupation and/or use in respect of any car parking spaces within any of the Vanguard Properties;

(c) made with the consent of the Vanguard Majority Lenders (such consent not to be unreasonably withheld or delayed);

(d) the entry into an agreement to grant a Vanguard Occupational Lease, the grant of a new Vanguard Occupational Lease or the consent to any rent review or sub-letting under or in respect of any Vanguard Occupational Lease, if such Vanguard Letting Activity is made on arms' length terms and, in the case of the entry into of an agreement to execute a Vanguard Operating Lease or the grant of a new Vanguard Operating Lease, the relevant agreement (and in the case of an agreement to execute a Vanguard Operating Lease, the relevant Vanguard Operating Lease to be executed):

(i) includes an undertaking by the relevant lessee that upon expiration of the relevant lease term it will return the relevant leased premises without employees or shall pay an indemnity to the relevant Vanguard Obligor in respect of each employee who is returned to that Vanguard Obligor; and

(ii) includes a provision confirming that any debts assumed by the relevant lessee during the term of such agreement shall not be transferred to the relevant Vanguard Obligor upon the expiration of the lease term.

(e) the acceptance or agreement required to be given pursuant to applicable law or under or pursuant to the terms of any Vanguard Occupational Lease to the exercise by the tenant under

that Vanguard Occupational Lease of any option or power to break, determine or extend the term of that Vanguard Occupational Lease;

(f) the exercise by a Vanguard Obligor of any right to forfeit or exercise any right of re-entry in respect of, or exercise any option or power to break or determine any Vanguard Occupational Lease in circumstances where the tenant of the relevant Vanguard Occupational Lease is in breach of their obligations under the relevant Vanguard Occupational Lease to pay rent or is otherwise insolvent;

(g) any consent to any change of use in respect of any tenant's interest under a Vanguard Occupational Lease provided that (i) the aggregate net lettable area in respect of which a change of use is permitted during the term of the Vanguard Loan as described in this paragraph (g) and paragraph (b) of "*Planning*" below does not exceed four thousand (4000) square metres in aggregate (without double-counting); and (ii) the aggregate net lettable area in which the change of use is permitted during the term of the Vanguard Loan as described in this paragraph (g) and paragraph (b) of "*Planning*" below of the Vanguard Loan Agreement does not exceed in respect of any Vanguard Property, 10 per cent. of the net lettable area of that Vanguard Property; and

(h) each of:

(i) a waiver, release or amendment of any term of any Vanguard Occupational Lease or the variation of any obligations under, or the terms of, any Vanguard Occupational Lease;

(ii) the acceptance of, or agreement to permit, the surrender of all or any part of any Vanguard Occupational Lease (or acceptance or agreement (other than any acceptance or agreement required to be given by applicable law or under the terms of any Vanguard Occupational Lease) to the exercise of any option or power to break, determine or extend the term of that Vanguard Occupational Lease);

(iii) the exercise by a Vanguard Obligor of any right to forfeit or exercise any right of re-entry in respect of, or exercise any option or power to break or determine any Vanguard Occupational Lease in circumstances where the tenant of the relevant Vanguard Occupational Lease is not in breach of their obligations under the relevant Vanguard Occupational Lease to pay rent; or

(iv) the consent to any assignment under any Vanguard Occupational Lease,

if such Vanguard Letting Activity is not projected to result:

(A) (when aggregated with each other Vanguard Letting Activity described in this paragraph (h) contracted in the calendar year during which such Vanguard Letting Activity is contracted) in a reduction of more than €1,658,000 of Vanguard Net Rental Income receivable by the Vanguard Obligors for that calendar year; or

(B) (when aggregated with each other Vanguard Letting Activity falling under this paragraph (h) contracted during the life of the Facilities) in a reduction of Vanguard Net Rental Income receivable by the Vanguard Obligors in any calendar year of more than €4,973,000 from that which would have been receivable if the Vanguard Letting Activity falling under this paragraph (h) contracted during the life of the Facilities had not been contracted.

"**Vanguard Permitted Loan**" means:

(a) any credit balances held in any Vanguard Borrowers Account;

(b) any subordinated loan.

"**Vanguard Permitted Property Disposal**" means a disposal of a Vanguard Property or the quota of any Vanguard Obligor which owns a Vanguard Property provided that:

(a) on completion of that disposal an amount not less than the Vanguard Permitted Property Disposal Prepayment Proceeds for such disposed asset is paid into the Vanguard Borrowers Prepayment Accounts (such payment being funded from the Vanguard Property Disposal Proceeds in respect of that disposal and/or proceeds of Vanguard Equity Contribution(s) and/or subordinated loan(s) provided that such amount is available without restriction (whether resulting from corporate restrictions on distributions or otherwise) for application in accordance with the Vanguard Loan Agreement as described in "*Prepayment of Vanguard Recovery Claims, Vanguard Property Disposal Prepayment Proceeds, Vanguard Property Disposal Proceeds and Vanguard Insurance Proceeds*" and "*Order of application*" below;

(b) on completion of that disposal an amount not less than the Vanguard Disposal Taxes and Vanguard Disposal Costs (other than any Vanguard Disposal Taxes or Vanguard Disposal Costs paid directly to any third party or otherwise discharged, in each case, prior to completion of that disposal) relating to that disposal is paid in the Vanguard Borrowers General Accounts (such payment being funded from the Vanguard Property Disposal Proceeds in respect of that disposal and/or proceeds of Vanguard Equity Contribution(s) and/or subordinated loan(s));

(c) on the date such disposal is contracted, no Vanguard Default is continuing (or, if a Vanguard Default is continuing, it would be remedied as a result of the completion of that disposal) or would result from completion of that disposal; and

(d) such disposal is made on arm's length terms.

"**Vanguard Permitted Property Disposal Prepayment Proceeds**" means, in respect of a disposal of a Vanguard Property or of the quota of any Vanguard Obligor which owns a Vanguard Property, an amount equal to the aggregate of:

(a) the Vanguard Release Price relating to the relevant Vanguard Property disposed of or relating to the relevant Vanguard Property owned by the Vanguard Obligor whose quota is being disposed of; and

(b) any amounts that will become due and payable in connection with the prepayment of the amount set out in paragraph (a) above (including, any prepayment fee, any Vanguard Break Costs and any accrued but unpaid interest).

"**Vanguard Permitted Security**" means:

(a) any Vanguard Security arising under the Vanguard Loan Documents;

(b) any Vanguard Security arising by operation of law and in the ordinary course of trading and not as a result or any default or omission by any member of the Vanguard Group provided that it is discharged within sixty (60) days of coming into existence;

(c) any Vanguard Security arising by operation of law and in respect of Taxes being contested in good faith or required to be created in favour of any Tax or other government authority in order to appeal or otherwise challenge Tax assessments and/or claims in good faith;

(d) any netting or set off arrangement entered into by any Vanguard Obligor in the ordinary course of its banking arrangements but only so long as (i) such arrangement does not permit credit balances of any Vanguard Obligor to be netted or set off against debit balances of persons who are not Vanguard Obligors and (ii) such arrangement does not give rise to other Vanguard Security over the assets of Vanguard Obligors in support of liabilities of persons who are not Vanguard Obligors;

(e) any Vanguard Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Vanguard Obligor in the ordinary course of trading or in relation to any Vanguard Capex Project permitted by the terms of the Vanguard Loan Documents and on the supplier's standard or usual terms and not arising as a result of any default or omission by a Vanguard Obligor; and

(f) any Vanguard Security that is released on or prior to the Vanguard Closing Date.

"**Vanguard Properties**" means each of the Brindisi Property, the Carpi Property, the La Scaglia Property and the Valdichiana Property provided that such property shall cease to be included in this definition following a Vanguard Permitted Property Disposal of that property.

"**Vanguard Property Disposal Proceeds**" means all sums paid or payable or any other consideration given or receivable by any member of the Vanguard Group for any disposal made by any member of the Vanguard Group of all or part of any Vanguard Property or any interest in any Vanguard Obligor including (without double counting):

(a) all compensation and damages received for any use or disturbance, blight or compulsory purchase;

(b) any sums paid or payable by any purchaser or other person in respect of any apportionment of any Vanguard Rental Income or other sum upon such a disposal;

(c) the sum of any deposit paid by any purchaser upon exchange of contracts;

(d) in the case of a disposal of shares, quotas or other equity interests in a member of the Vanguard Group which owns, or whose subsidiary or subsidiaries own(s), all or any part of any Vanguard Property, an amount equal to any indebtedness owed by that member of the Vanguard Group and its Subsidiaries required to be repaid in connection with or as a direct or indirect result of that disposal; and

(e) any amount in respect of or which represents VAT chargeable in respect of such disposal,

after deducting:

(i) an amount equal to any reasonable expenses which are incurred by any member of the Vanguard Group with respect to that disposal to persons who are not members of the Vanguard Group ("**Vanguard Disposal Costs**"); and

(ii) an amount equal to any Tax incurred, or that may be incurred, and required to be paid by any member of the Vanguard Group in connection with that disposal (as reasonably determined by the relevant member of the Vanguard Group, on the basis of existing rates and taking account of any available credit, deduction or allowance) ("**Vanguard Disposal Taxes**").

"**Vanguard Property Management Agreement**" means a Vanguard Initial Property Management Agreement and each Vanguard New Property Management Agreement, as the case may be.

"**Vanguard Property Manager**" means each of, from time to time:

(a) the Vanguard Initial Property Manager; and

(b) an Vanguard Approved Property Manager,

in each case, to the extent appointed as property manager of one or more of the Vanguard Properties (or any part thereof) pursuant to a Vanguard Property Management Agreement (which has not been terminated) and provided that there may be multiple Vanguard Property Managers in respect of different responsibilities in relation to the Vanguard Properties (or any part thereof) at any time.

"**Vanguard Property Taxes**" means any *Imposta Municipale propria* Tax payable by a Vanguard Obligor to the relevant municipal authority in relation to a Vanguard Property (or any equivalent or replacement Tax from time to time).

"**Vanguard Recoverable Service Charge Project**" means a Vanguard Capex Project if the entire cost of such Vanguard Capex Project is recoverable from the tenants of the relevant Vanguard Property by way of Vanguard Service Charge Proceeds.

"**Vanguard Recovery Proceeds**" means the proceeds of a claim (a "**Vanguard Recovery Claim**") against:

(a) a Vanguard Vendor or any of its Vanguard Affiliates (or any of their respective employees, officers or advisers) in relation to an Vanguard Acquisition Document including, for the avoidance of doubt, any claim of, or any amount received by a Vanguard Obligor pursuant to:

(i) the terms of any Vanguard Escrow Agreement;

(ii) the Brindisi/Carpi/Valdichiana Acquisition Agreement (other than any sums received or receivable by a Vanguard Obligor pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement as a result of the cash and cash equivalents of a Vanguard Target identified in the Closing Date Balance Sheet (as defined in the Brindisi/Carpi/Valdichiana Acquisition Agreement) or otherwise determined in accordance with the Brindisi/Carpi/Valdichiana Acquisition Agreement being less than those identified in the Pro Forma Financial Statements (as defined in the Brindisi/Carpi/Valdichiana Acquisition Agreement)) in circumstances where the relevant amounts received or receivable by a Vanguard Obligor pursuant to that clause are not required to meet a liability of a Vanguard Target; and/or

(iii) the La Scaglia Acquisition Agreement (other than any sums received or receivable by a Vanguard Obligor pursuant to the La Scaglia Acquisition Agreement as a result of the cash and cash equivalents of La Scaglia identified in the Closing Date Balance Sheet (as defined in La Scaglia Acquisition Agreement) or otherwise determined in accordance with the La Scaglia Acquisition Agreement being less than those identified in the NAV Statement (as defined in the La Scaglia Acquisition Agreement)) in circumstances where the relevant amounts received or receivable by a Vanguard Obligor pursuant to that clause are not required to meet a liability of La Scaglia,

but excluding, for the avoidance of doubt, any proceeds of a claim against the Vanguard Vendor or any of its Vanguard Affiliates (or any of their respective employees, officers or advisers) in respect of any Vanguard Rental Income received by the Vanguard Vendor or any of its Vanguard Affiliates (or any of their respective employees, officers or advisers) in respect of any period falling on or after the Vanguard Closing Date;

(b) the provider of any Vanguard Report (in its capacity as a provider of that Vanguard Report); or

(c) any counterparty to a construction contract or collateral warranty (in its capacity as counterparty to that construction contract or collateral warranty (as applicable)) with, or benefitting, a Vanguard Obligor,

except for Vanguard Excluded Recovery Proceeds, and after deducting:

(i) any reasonable fees, costs and expenses which are incurred by any member of the Vanguard Group to persons who are not members of the Vanguard Group ("**Vanguard Recovery Proceeds Expenses**"); and

(ii) any Tax incurred and required to be paid by a member of the Vanguard Group (on the basis of existing rates and taking into account any available credit, deduction or allowance) ("**Vanguard Recovery Proceeds Taxes**"),

in each case in relation to that Vanguard Recovery Claim.

"**Vanguard Recovery Proceeds Expenses**" has the meaning given to such term in the definition of " Vanguard Recovery Proceeds".

"**Vanguard Recovery Proceeds Taxes**" has the meaning given to such term in the definition of "Vanguard Recovery Proceeds".

"**Vanguard Registration Taxes**" means any Tax or other amount required to be paid to a Tax Authority in respect of the grant, entry into or amendment of any Vanguard Occupational Lease.

"**Vanguard Release Price**" means:

(a) in respect of the Carpi Property, the aggregate of:

(i) the Vanguard Allocated Loan Amount of the Carpi Property; and

(ii) 15% of the Vanguard Allocated Loan Amount of the Carpi Property as at the Vanguard Utilisation Date;

(b) in respect of the Brindisi Property, the aggregate of:

(i) the Vanguard Allocated Loan Amount of the Brindisi Property; and

(ii) 15% of the Vanguard Allocated Loan Amount of the Brindisi Property as at the Vanguard Utilisation Date;

(c) in respect of the La Scaglia Property, the Vanguard Allocated Loan Amount of the La Scaglia Property; and

(d) in respect of the Valdichiana Property, the aggregate of:

(i) the Vanguard Allocated Loan Amount of the Valdichiana Property; and

(ii) 15% of the Vanguard Allocated Loan Amount of the Valdichiana Property as at the Vanguard Utilisation Date.

"**Vanguard Rent Collection Fees**" means rent collection fees payable by the Vanguard Obligors to the Vanguard Property Manager in relation to the Vanguard Properties.

"**Vanguard Rental Income**" means all sums paid or payable to or for the benefit of any Vanguard Obligor arising from the letting, use or occupation of all or any part of a Vanguard Property.

"**Vanguard Reports**" means:

(a) the Brindisi Reports;

(b) the Carpi Reports;

(c) the La Scaglia Reports;

(d) the Valdichiana Reports;

(e) the memorandum prepared by Chiomenti Studio Legale in relation to the application of the provisions of the Italian Civil Code to the Vanguard Acquisitions;

(f) the valuation report dated on or about the date of the Vanguard Loan Agreement prepared by Cushman & Wakefield in relation to the Vanguard Obligors' interests in the Vanguard Properties, delivered on or prior to the Vanguard Utilisation Date (the "**Vanguard Initial Valuation**"); and

(g) the tax structuring report dated on or about the date of the Vanguard Loan Agreement relating to the Vanguard Acquisitions, prepared by PricewaterhouseCoopers LLP.

"**Vanguard Requisite Rating**" means the rating of long or short term (as appropriate) unsecured debt instruments in issue by a person (which are neither subordinated nor guaranteed) which meet the following requirements:

(a) in relation to a bank or financial institution at which a Vanguard Borrower Account is held:

(i) to the extent that such a bank or financial institution has a long term rating from DBRS, long term instruments rated A (or better) by DBRS;

(ii) short term instruments with the following ratings: F1 (or better) by Fitch and A-1 (or better) by S&P; and

(iii) long term instruments with the following ratings: A (or better) by Fitch and A (or better) by S&P,

(provided that for the purposes of determining the Vanguard Requisite Rating of each initial account bank, the ratings held by ING Bank N.V. shall be used);

(b) in relation to any insurance company or underwriter, long term instruments with:

(i) to the extent that such insurance company or underwriter has a long term rating from DBRS, a long term rating of A (or better) from DBRS;

(ii) a long term rating of A (or better) by S&P and:

(A) where such insurance company or underwriter is rated by Fitch, a long term rating of A (or better) by Fitch; and

(B) where such insurance company or underwriter is not rated by Fitch, a long term rating of A (or better) by AM Best or a long term rating of A2 (or better) by Moody's; and

(c) in relation to a Vanguard Counterparty (including the Vanguard Borrower Cap Provider):

(i) to the extent that Vanguard Counterparty has a long term rating from DBRS, a long term rating of A (or better) by DBRS); and

(ii) long term instruments with the following ratings: A- (or better) by Fitch and A (or better) by S&P; and

(iii) to the extent that the relevant Vanguard Counterparty has a short term rating from Fitch, a short term rating from Fitch of F2 (or better); and

(iv) to the extent that the relevant Vanguard Counterparty has a short term rating from S&P, a short term rating from S&P of A-1 (or better),

provided that in respect of each of the paragraphs above except paragraph (b), it shall not be required for there to be a short term and/or long term (as applicable) rating from any rating agency referred to in the relevant paragraph above to the extent that the Borrower Facility Agent has issued notice in writing to Vanguard Bidco indicating that such rating agency has not provided credit rating services in respect of a Vanguard Securitisation.

"**Vanguard Restricted Lender**" an Vanguard Investor Affiliate for so long as it:

(d) beneficially owns a Vanguard Commitment or loan under the Vanguard Loan Agreement (or beneficially owns all or part of the share capital of a company that is a lender under the Vanguard Loan Agreement or a party to a Vanguard Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Vanguard Debt Purchase Transaction); or

(e) has entered into a sub-participation agreement relating to a Vanguard Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated.

"**Vanguard Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by a Vanguard Obligor or by some other person) of each Vanguard Obligor (or any of them) to the Vanguard Finance Parties under each of the Vanguard Loan Documents.

"**Vanguard Securitisation**" means any securitisation or transaction of broadly equivalent economic effect relating to, or using as a reference, the whole or part of the Vanguard Loans (whether alone or in conjunction with other loans) through the issue of notes on the capital markets.

"**Vanguard Security**" means a mortgage, charge, pledge, lien or other security interest (including any *diritto reale di garanzia*, as such term is defined under Italian law) securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Vanguard Service Charge Expenses**" means (in each case, including any VAT paid in respect thereof):

(a) any expense or liability incurred by a tenant under a Vanguard Occupational Lease:

(i) by way of reimbursement of expenses incurred, or on account of expenses to be incurred, by or on behalf of a Vanguard Obligor in the management, maintenance and repair or similar obligation of, or the provision of services specified in that Vanguard Occupational Lease in respect of, a Vanguard Property, the payment of insurance premiums for that Vanguard Property and the payment or reimbursement of marketing expenses in respect of that Vanguard Property; or

(ii) to, or for expenses incurred by or on behalf of, a Vanguard Obligor for a breach of covenant where such amount is or is to be applied by that Vanguard Obligor in remedying such breach or discharging such expenses;

(b) any contribution to a sinking fund paid by a tenant under a Vanguard Occupational Lease; and

(c) any contribution paid by a tenant to ground rent due under any Vanguard Lease out of which a Vanguard Obligor derives its interest in the Vanguard Property,

other than, in each case, any amount in respect of asset management fees, Vanguard Property Taxes, Vanguard Registration Taxes, Vanguard Rent Collection Fees or any corporation or other tax on income or profits.

"**Vanguard Service Charge Proceeds**" means any payment for Vanguard Service Charge Expenses.

"**Vanguard Swap Agreement**" means the "Swap Agreement" defined in the Brindisi/Carpi/Valdichiana Acquisition Agreement.

"**Vanguard Total Commitments**" means the aggregate of the Vanguard Commitments, being €120,175,962 as at the date of the Vanguard Loan Agreement.

"**Vanguard Unpaid Sum**" means any sum due and payable but unpaid by a Vanguard Obligor under the Vanguard Loan Documents.

"**Vanguard Utilisation**" means a utilisation of the facility made available under the Vanguard Loan Agreement.

"**Vanguard Valuation**" means:

(a) the valuation report dated on or about the date of the Vanguard Loan Agreement prepared by Cushman & Wakefield in relation to the Vanguard Properties; and

(b) subject to the terms of the Vanguard Loan Agreement described in "*Valuations*" below, any subsequent valuation instructed by and in form and substance satisfactory to the Borrower Facility Agent and prepared and issued by a Vanguard Valuer and addressed to, and/or capable of being relied upon by, amongst others, each Vanguard Finance Party valuing each Vanguard Obligor's interests in each Vanguard Property and which is carried out on a "market value" basis (as defined in the then current Statements of Assets Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors' (or its successors)).

"**Vanguard Valuer**" means:

(a) any of Cushman & Wakefield, CB Richard Ellis and Jones Lang LaSalle;

(b) if no Vanguard Loan Event of Default is continuing, any other firm of chartered surveyors as may be agreed from time to time between Vanguard Bidco and the Borrower Facility Agent (each acting reasonably); and

(c) if a Vanguard Loan Event of Default is continuing, any other firm of chartered surveyors as may be appointed by the Borrower Facility Agent,

in each case as appointed by the Borrower Facility Agent (for and on behalf of the lenders under the Vanguard Loan Agreement) to act as valuer for the purposes of the Vanguard Loan Agreement.

"**Vanguard VAT**" means:

(a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations and, in relation to Italy, value added tax imposed by Presidential Decree No. 633 of 26 October 1972 and Legislative Decree No. 331 of 30 August 1993); and

(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

"**Vanguard Vendor**" means the Brindisi/Carpi/Valdichiana Vendor and the La Scaglia Vendor.

Purpose of the Vanguard Loan

The facilities made available under the Vanguard Loan Agreement were used for the purposes set out in "*The Vanguard Loan – Overview*" above.

Amount of the Vanguard Loan

The principal amount of the Vanguard Loans at the date of the origination was €120,175,962.

The Vanguard Loan Agreement provides for no further commitment upon the lender (or, for the avoidance of any doubt, upon the Issuer following the assignment of the interests in the Vanguard Loans to the Issuer) to make any further loan advance to a Vanguard Borrower.

Interest and Repayments

The Vanguard Loan Agreement provides that payment of quarterly instalments of interest and principal are due on the 15th calendar day of each of February, May, August and November and on the Vanguard Loan Maturity Date (with the first such payment date being 15 November 2014), or if such day is not a Business Day under the Vanguard Loan, then on the next succeeding Business Day in the relevant calendar month (if there is one) or the preceding Business Day (if there is not) (each, a "**Loan Payment Date**").

Interest

Interest is payable quarterly on the Vanguard Loan on each Loan Payment Date in respect of the Loan Interest Period in which the relevant Loan Payment Date falls (assuming for this purpose that no repayments or prepayments of the Vanguard Loan have occurred or will occur on that Loan Payment Date).

The first Loan Interest Period relating to the Vanguard Loan started on the day falling seven days after the Vanguard Utilisation Date and ends on the Loan Interest Period Date falling in November 2014.

Each successive Loan Interest Period shall start on (and include) the next Loan Interest Period Date and ends on (but excludes) the next Loan Interest Period Date.

Interest is payable in relation to the Vanguard Loan at a floating rate, accrues daily and is payable quarterly as described above. The rate of interest payable on the Vanguard Loan for each Loan Interest Period is Loan EURIBOR for that Loan Interest Period plus the applicable Vanguard Margin.

Each Vanguard Obligor must pay interest on any overdue amount owed by it from the due date up to the date of actual payment at a rate which is one per cent. per annum above Loan EURIBOR plus the Vanguard Margin for successive interest periods of a duration selected by the Borrower Facility Agent.

The parties to the Vanguard Loan Agreement mutually acknowledged that the rate of interest applicable to the Vanguard Loan made to the Vanguard Borrowers or secured by the Vanguard Borrowers (inclusive of any component of fees and expenses applicable to the Vanguard Loan Agreement) shall not exceed the maximum rate permitted by Italian Law No. 108 of 7 March 1996, any other Italian anti-usury law and related implementation regulations (the "**Italian Usury Law**") to the extent applicable. In any event, the parties agreed and accepted that if the rate of interest applicable to the Vanguard Loan made to the Vanguard Borrowers or guaranteed by the Vanguard Borrowers (inclusive of any component of fees and expenses applicable to the Vanguard Loan Agreement) at any time exceeds the maximum rate permitted by applicable law (including the Italian Usury Law), then the relevant interest rate of the Vanguard Loan made to the Vanguard Borrowers or guaranteed by the Vanguard Borrowers shall be automatically reduced to the extent necessary to allow the interest rate applicable to such Vanguard Loan to be in compliance with applicable law.

Scheduled Amortisation and Repayment

On each Loan Payment Date, each Vanguard Borrower must repay the Vanguard Loan made to it in an amount equal to 0.25 per cent. of the original principal amount of the loan made to it under the Vanguard Loan Agreement. Each Vanguard Borrower must repay the loan made available to it under the Vanguard Loan Agreement in full on the Vanguard Loan Maturity Date, to the extent not repaid or prepaid prior to such date as described below. As such, the Vanguard Loan Agreement requires the Vanguard Borrowers to make a significant, final repayment on the Vanguard Loan Maturity Date. The Vanguard Loan may (or is required to) also be repaid prior to the Vanguard Loan Maturity Date in the circumstances described below.

Prepayment on Illegality

The Vanguard Borrowers must prepay any lender's share of any part of the Vanguard Loan made to that Vanguard Borrower, and that lender's Vanguard Commitment shall be cancelled, following receipt of notice that it is or will become unlawful for such lender to perform any of its obligations as contemplated by the Vanguard Loan Agreement or to make, fund, issue or maintain its participation in the Vanguard Loan provided that on or prior to the date on which such prepayment is required by the relevant lender to be undertaken (being no earlier than the last Business Day permitted by relevant law), Vanguard Bidco will have the right to require the relevant lender to transfer such participation to a replacement lender willing to assume all the obligations of the transferring lender for an amount equal to the outstanding principal amount of such lenders' participation in the outstanding Vanguard Loan and all accrued interest and other amounts payable to such lender in respect of its participation under the Vanguard Loan Agreement.

Prepayment on Vanguard Change of Control

If the Vanguard Investors cease to control Vanguard Pledgeco, Vanguard Bidco ceases to be controlled by Vanguard Pledgeco, (other than as a result of a Vanguard Permitted Property Disposal) any Vanguard Additional Borrower, Vanguard Italian Bidco or La Scaglia ceases to be controlled by Vanguard Bidco or (other than as a result of a Vanguard Permitted Property Disposal or the Valdichiana Merger) Valdichiana ceases to be controlled by Vanguard Italian Bidco (a "**Vanguard Change of Control**"), all Vanguard Commitments will be cancelled and the Vanguard Loan together with accrued interest and all other unpaid amounts under the Vanguard Loan Documents, will become immediately due and payable.

For this purpose "control" means (whether directly or indirectly):

"**control**" means (whether directly or indirectly):

(a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the casting of:

(A) in the case of the Vanguard Pledgeco, more than one half of the maximum number of votes that might be cast at a general meeting of the Vanguard Pledgeco; or

(B) in the case of any Vanguard Obligor other than Vanguard Pledgeco, all of the votes that might be cast at a general meeting of that Vanguard Obligor;

(ii) appoint or remove all, or the majority, of the directors, managers or other equivalent officers of the relevant Vanguard Obligor; and

(iii) give directions with respect to the operating and financial policies of the relevant Vanguard Obligor with which the directors, managers or other equivalent officers of the Vanguard Obligor are obliged to comply; and

(b) the holding of:

(i) in the case of Vanguard Pledgeco, more than one half of the issued share capital of, and the Vanguard Investor Debt made to, the Vanguard Pledgeco; or

(ii) in the case of any Vanguard Obligor other than Vanguard Pledgeco, all of the issued share capital of that Vanguard Obligor,

(excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital),

and "**controlled**" shall be construed accordingly.

Prepayment of Vanguard Recovery Claims, Vanguard Permitted Property Disposal Prepayment Proceeds, Vanguard Property Disposal Proceeds and Vanguard Insurance Proceeds

The relevant Vanguard Borrower must prepay the Vanguard Loan together with other amounts payable in connection with the relevant prepayment (as described in "*Repayment/Prepayment Restrictions*" below) in the following amounts:

(a) any Vanguard Property Disposal Proceeds;

(b) any Vanguard Permitted Property Disposal Prepayment Proceeds;

(c) any Vanguard Recovery Proceeds;

(d) any Vanguard Excluded Recovery Proceeds to the extent that such amounts are not applied to meet third party claims, to satisfy (or reimburse a member of the Vanguard Group which has discharged) any liability, charge or claim upon a member of the Vanguard Group by a person that is not a member of the Vanguard Group or to replace, reinstate or repair assets of the Vanguard Group which have been lost, destroyed or damaged, in each case, in relation to the relevant Vanguard Recovery Claim, within 12 months after receipt or 24 months of receipt (provided that such proceeds are contractually committed to be applied by no later than 24 months after receipt); and

(e) an amount equal to all net insurance proceeds (after deduction of reasonable fees, costs and expenses incurred by members of the Vanguard Group to persons who are not members of the Vanguard Group) received by any member of the Vanguard Group ("**Vanguard Insurance Proceeds**") other than (i) any such amounts which are to be applied to meet third party claims, to cover operating losses or loss of rent, or to replace, reinstate or repair assets of the Vanguard Group or otherwise ameliorate the loss, in each case, in relation to the relevant insurance claim ("**Vanguard Excluded Insurance Proceeds**") unless such amounts are not applied within 12 months after receipt or 24 months of receipt (provided that such proceeds are contractually committed to be applied by no later than 24 months after receipt) and (ii) an aggregate amount of €50,000 of such proceeds in any Vanguard Financial Year ("**Vanguard Excluded Threshold Insurance Proceeds**"),

in each case either on the Loan Payment Date immediately following receipt of the same or, if the Vanguard Bidco elects by not less than 5 Business Days notice in writing, on any other Business Day falling prior to that Loan Payment Date in an amount equal to the same **provided that** all amounts payable in connection with the relevant prepayment (as described in "*Repayment/Prepayment Restrictions*" below) shall be payable from and deducted from the amounts withdrawn from the relevant Vanguard Borrowers Prepayment Account on the relevant date of prepayment (as described in "*Vanguard Borrowers Prepayment Accounts*" below) .

Voluntary Prepayment

If a Vanguard Borrower gives the Borrower Facility Agent not less than 5 Business Days' (or such shorter period as the Borrower Facility Agent may agree) prior notice, a Vanguard Borrower may prepay the whole or part of a Vanguard Loan (subject to a minimum amount of €1,000,000 (or if less, the outstanding amount of the Vanguard Loans)).

Repayment/Prepayment Restrictions

Any repayment or prepayment of the Vanguard Loan must be made together with (without double counting):

(a) accrued interest (including Vanguard Margin) on the amount prepaid;

(b) any applicable Vanguard Break Costs;

(c) any prepayment fee payable as a result of the prepayment or repayment; and

(d) payment of other Vanguard Secured Liabilities which have become due as a result of the prepayment or repayment.

Minimum Loan Amount

If the aggregate outstanding principal amount of the Vanguard Loans is less than €25,000,000, the Vanguard Loans, together with accrued interest, and all other amounts accrued or outstanding under the Vanguard Loan Documents shall become immediately due and payable.

Order of Application

Any prepayment of the Vanguard Loans will be applied against the Vanguard Loans on a pro rata basis, to the extent that it is legally possible to so, or if it is not legally possible to do so, as directed by Vanguard Bidco other than:

(a) any prepayment described in "*Prepayment on Illegality*" above, in respect of which such prepayment will be applied against the participations of the lender to which such illegality relates in the Vanguard Loans (and, to the extent the such participations in the Vanguard Loans are not being prepaid in full, between such participations as required as a result of the relevant illegality); or

(b) where such prepayment is being made out of Vanguard Insurance Proceeds or Vanguard Recovery Proceeds which relate to a specific Property, in respect of which such prepayment will be applied as follows:

(i) firstly, in an amount up to 100% of the Vanguard Allocated Loan Amount for the Vanguard Property to which such Vanguard Insurance Proceeds or Vanguard Recovery Proceeds relate (if any) against the Vanguard Loan made to the Vanguard Borrower that owns that Vanguard Property or, in the case of Vanguard Insurance Proceeds or Vanguard Recovery Proceeds relating to the Valdichiana Property, the Vanguard Loan made to the Vanguard Borrower that owns the Vanguard Property and the Vanguard Loan made to Vanguard Italian Bidco; and

(ii) secondly, in an amount equal to the Vanguard ALA Excess against the Vanguard Loans on a pro rata basis;

(c) where such prepayment is being made out of Vanguard Permitted Property Disposal Prepayment Proceeds or Vanguard Property Disposal Proceeds, in respect of which such prepayment will be applied as follows:

(i) firstly, in an amount equal to 100% of the Vanguard Allocated Loan Amount for the Vanguard Property which is the subject of the relevant Vanguard Permitted Property Disposal against the Vanguard Loan made to the Vanguard Borrower that owns that Vanguard Property or, in the case of Vanguard Permitted Property Disposal Prepayment

Proceeds or Vanguard Property Disposal Proceeds relating to the Valdichiana Property, the Vanguard Loan made to the Vanguard Borrower that owns the Vanguard Property and the Vanguard Loan made to Vanguard Italian Bidco; and

(ii) secondly, in an amount equal to the Vanguard ALA Excess against the Vanguard Loans on a pro rata basis.

On the date on which any Vanguard Loan is, in whole or in part, repaid or prepaid by a Vanguard Borrower as a result of a Vanguard Permitted Property Disposal the Vanguard Allocated Loan Amount for each Vanguard Property held by a Vanguard Borrower shall be reduced by a pro-rated proportion of the Vanguard ALA Excess applied in prepayment of the Vanguard Loans made to that Vanguard Borrower as a consequence of that Vanguard Permitted Property Disposal.

Vanguard Loan Prepayment Fees

If all or any part of the Vanguard Loan is prepaid pursuant to the Vanguard Loan Agreement on or prior to the date falling 15 November 2015 as described in "*Voluntary Prepayment*" or "*Prepayment on Vanguard Change of Control*" above or from Vanguard Permitted Property Disposal Prepayment Proceeds as described in "*Prepayment of Vanguard Recovery Claims, Vanguard Permitted Property Disposal Prepayment Proceeds, Vanguard Property Disposal Proceeds and Vanguard Insurance Proceeds*" or as described in "*Minimum Loan Amount*" above (other than, in the latter case, in circumstances where the requirement to prepay the Vanguard Secured Liabilities as described in "*Minimum Loan Amount*" is triggered by the completion of a prepayment under the Vanguard Loan Agreement in respect of which no prepayment fee is payable), the Vanguard Obligors shall pay to the Borrower Facility Agent (for the account of each lender under the Vanguard Loan Agreement pro rata) a prepayment fee equal to:

(a) if the prepayment occurs before the first Loan Payment Date after the Vanguard Utilisation Date, 3.00% of the principal amount prepaid;

(b) if the prepayment occurs on or after 15 November 2014, but before 15 February 2015, 2.50% of the principal amount prepaid;

(c) if the prepayment occurs on or after 15 February 2015, but before 15 May 2015, 2.00% of the principal amount prepaid;

(d) if the prepayment occurs on or after 15 May 2015, but before 15 August 2015, 1.50% of the principal amount prepaid; or

(e) if the prepayment occurs on or after 15 August 2015, but before 15 November 2015, 1.00% of the principal amount prepaid.

No prepayment fee is payable as described above in relation to a prepayment made:

(a) as a result of the exercise of a Vanguard Cure Right;

(b) as described in "*The Borrower Accounts – The Vanguard Borrower Accounts – Vanguard Borrowers Cash Trap Account*";

(c) in connection with the prepayment of a lender under the Vanguard Loan (i) to whom a Vanguard Obligor has become obligated to pay amounts as a result of the application of the tax-gross up and indemnity and the increased cost provisions of the Vanguard Loan Agreement, (ii) whose participations in the Vanguard Loan a Vanguard Borrower would otherwise be required to prepay as described in "*Prepayment on Illegality*" above, or (iii) which is a defaulting lender; or

(d) in connection with a compulsory purchase or nationalization or other expropriation in relation to all or part of a Vanguard Property or in connection with any destruction or damage to a Vanguard Property, in each case, to the extent necessary to ensure that no Vanguard Loan Event of Default occurs in connection with such compulsory purchase or nationalization or other expropriation or destruction or damage.

Representations and Warranties

General

Each Vanguard Obligor (other than each Vanguard Additional Borrower) has made or makes, as appropriate, representations and warranties to each Finance Party under the Vanguard Loan Agreement on the date of the Vanguard Loan Agreement, on the date of any utilisation request, on the Vanguard Utilisation Date and on the first day of each Loan Interest Period relating to the Vanguard Loans. Each Vanguard Additional Borrower has made or makes, as appropriate, representations and warranties to each Vanguard Finance Party on the date of its accession to the Vanguard Loan Agreement and on the first day of each Loan Interest Period relating to the Vanguard Loans. The representations and warranties relate to the matters which are normally the subject of representations and warranties in loan agreements secured on Italian commercial property including (a) formation, power and authority of each Vanguard Obligor; (b) validity and enforceability of the Vanguard Loan Documents; (c) no conflict with applicable law, its constitutional documents or any agreement binding on it or any member of the Vanguard Group or any of their assets; (d) no Vanguard Default on the date of the Vanguard Loan Agreement; (e) all financial statements delivered to the Borrower Facility Agent as at the date of the Vanguard Loan Agreement have been prepared under the Vanguard Accounting Principles except as disclosed therein; (f) no litigation which, if adversely determined, would have a Vanguard Material Adverse Effect. The representations and warranties to each Vanguard Finance Party under the Vanguard Loan Agreement are made subject, in each case, to the specific terms, concessions and materiality thresholds set out or represented in the Vanguard Loan Agreement.

Each Vanguard Obligor also represents that no Vanguard Obligor has traded or carried on any business since the date of its incorporation or establishment except for (a) entering into the Vanguard Loan Transaction Documents and effecting the transactions contemplated in those documents, the ownership, leasing, financing, development and management of the Vanguard Property; and (b) in the case of the Vanguard Obligors that are holding companies, effecting transactions in the administration and business of being a holding company and the ownership of subsidiaries.

Vanguard Property representations

Each Vanguard Borrower has made or makes, as appropriate, representations and warranties to each Finance Party in relation to the relevant Vanguard Property. In certain cases these are subject to any disclosure made in the Vanguard Reports and to the specific terms, concessions and materiality thresholds set out or represented in the Vanguard Loan Agreement.

Each Vanguard Obligor has made, or makes, representations in respect of the Vanguard Properties including (a) that the applicable Vanguard Borrower is the sole legal and beneficial owner of the Vanguard Property which it specified to be the proprietor of in the Vanguard Loan Agreement and has good and marketable title to that Vanguard Property free from security (other than security permitted by the Vanguard Loan Agreement); (b) there is no covenant, easement, agreement, reservation, restriction, condition or other matter which materially and adversely affects the Vanguard Property; (c) no Vanguard Obligor has received any notice of any adverse claim by any person in respect of the ownership of a Vanguard Property or any interest in it; (d) compliance with all environmental law or regulation where failure to do so would have a Vanguard Material Adverse Effect; (e) no environmental claim has been threatened or commenced which, if adversely determined, would have a Vanguard Material Adverse Effect; (e) each Vanguard Borrower has the benefit of all material licences and consents and necessary building authorisations in relation to its Vanguard Property; and (f) no facility necessary for the enjoyment and use of a Vanguard Property is enjoyed by a Vanguard Property on terms entitling any person to terminate or curtail its use. Such representations and warranties are (or have been) made subject to any relevant disclosures in the notary report provided in relation to the relevant Vanguard Property as a condition precedent to funding and the Vanguard Legal Due Diligence Report.

Information Undertakings

Financial statements

Vanguard Bidco is required to supply to the Borrower Facility Agent the audited unconsolidated financial statements for the Vanguard Borrowers (excluding Vanguard Bidco) within 180 days of the end of the relevant company's financial year end and the unaudited unconsolidated financial statements for

Vanguard Bidco and the Vanguard Pledgeco within 180 days of the end of their Vanguard Financial Year. Each Vanguard Obligor must also notify the Borrower Facility Agent of any Vanguard Default.

Vanguard Compliance Certificate

Vanguard Bidco is required to deliver a compliance certificate to the Borrower Facility Agent (each a "**Vanguard Compliance Certificate**") on each day falling 5 Business Days before each Loan Payment Date confirming:

(a) the Vanguard LTV Ratio in respect of that Loan Payment Date if such date is a Vanguard LTV Test Date;

(b) the Vanguard ICR in respect of the most recent Vanguard Test Date falling prior to that Loan Payment Date;

(c) that so far as Vanguard Bidco is aware no Vanguard Default has occurred and is continuing, or if a Vanguard Default has occurred and is continuing, what Vanguard Default has occurred and the steps being taken to remedy the Vanguard Default;

(d) setting out the computations necessary to determine compliance with the Vanguard LTV Covenant and the Vanguard ICR Covenant;

(e) for the purposes of determining whether a Vanguard Cash Trap Event has occurred on that Loan Payment Date, the Vanguard LTV Ratio and the Vanguard ICR on the basis that any amounts standing to the credit of the Vanguard Borrower Equity Cure Accounts and the Vanguard Borrower Cash Trap Accounts are not taken into account in calculating the Vanguard LTV Ratio and the Vanguard ICR;

(f) for the purposes of determining whether the amounts standing to the credit of a Vanguard Borrower Equity Cure Account should be applied in prepayment or transferred to the Vanguard Borrower General Account on that Loan Payment Date, the Vanguard LTV Ratio and the Vanguard ICR on the basis that any amounts standing to the credit of the Vanguard Borrower Equity Cure Account are not taken into account in calculating the Vanguard LTV Ratio and the Vanguard ICR.

Vanguard Budget

Vanguard Bidco is required to supply to the Borrower Facility Agent as soon as it is available but in any event within 30 days of the start of each Vanguard Financial Year, a copy of an annual budget for the Vanguard Group for that Vanguard Financial Year in the same form as the original business plan provided as a condition precedent to financing the Vanguard Loan (the "**Vanguard Budget**").

Valdichiana Merger information

Each Vanguard Obligor is obliged to supply to the Borrower Facility Agent:

(a) on the last Business Day of each month, an update as to the status of the process relating to Valdichiana Merger;

(b) promptly after receipt, a copy of any material document received by it in connection with the Valdichiana Merger;

(c) promptly after filing or submission, a copy of any document filed or submitted by a Vanguard Obligor with any legal, governmental or regulatory body in connection with the Valdichiana Merger; and

(d) promptly after completion of the Valdichiana Merger, confirmation in writing that the Valdichiana Merger has been completed

General Undertakings

The general undertakings made by the Vanguard Obligors under the Vanguard Loan Agreement include covenants as to matters relating to each Vanguard Obligor and, in certain instances, the Vanguard Loan

Documents, in each case, subject to specific terms, concessions and materiality thresholds set out or represented in the Vanguard Loan Agreement. These include undertakings by each Vanguard Obligor (a) that its payment obligations under the Vanguard Loan Documents rank at least pari passu with its other unsecured and unsubordinated payment obligations (except those mandatorily preferred by law); (b) not to create security over its assets (other than Vanguard Permitted Security); (c) not to dispose of their assets (other than pursuant to a Vanguard Permitted Disposal); (d) not to acquire any companies, shares, business, undertaking or real estate assets (other than the Vanguard Acquisition or the acquisition by a Vanguard Obligor of additional shares in its existing subsidiaries provided that such additional shares are or become subject to security in favour of the Borrower Security Agent) and not to form or incorporate any company, partnership, firm or other corporation or organisation; (e) not to incur, have outstanding or be a creditor in respect of any Vanguard Financial Indebtedness (other than Vanguard Permitted Financial Indebtedness); (g) not to give any guarantees or indemnities in respect of Vanguard Financial Indebtedness (other than the Vanguard Permitted Guarantees); (h) not to substantially change the business of the Vanguard Group taken as a whole from that carried out as at the Vanguard Closing Date (i) not to enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than with the consent of the Borrower Facility Agent (acting on the instructions of the Vanguard Majority Lenders) and other than the Valdichiana Merger; (j) not to enter into any material agreement without the prior consent of the Borrower Facility Agent other than any Vanguard Loan Transaction Document, any agreement permitted under the Vanguard Loan Documents or an agreement consistent with its business; (k) not to declare or pay any dividend, charge, fee or other distribution or make any payments in respect of Vanguard Financial Indebtedness owed to its shareholders or redeem, repurchase, defease, retire or repay any of its share capital (other than Vanguard Permitted Distributions); (l) not to terminate the appointment of a property manager in respect of any of the Vanguard Properties unless the Borrower Facility Agent has been notified in advance of such termination and a replacement property manager is appointed which is a Vanguard Investor Affiliate or which is otherwise agreed by Vanguard Bidco and the Borrower Facility Agent and to ensure that at the same time as the entry into of any new property management agreement the relevant new property manager enters into a duty of care agreement; (l) not to terminate the appointment of, or replace, an asset manager in respect of any of the Vanguard Properties unless the Borrower Facility Agent has been notified in advance of such termination and a replacement asset manager is appointed which is a Vanguard Investor Affiliate or which is otherwise agreed by Vanguard Bidco and the Borrower Facility Agent or an asset manager continues to be appointed in respect of the same Vanguard Property; (l) to pay and discharge all taxes imposed upon it or its assets within the time period allowed without incurring penalties (unless such taxes are being contexted in good faith, adequate reserves are being maintained and payment can be lawfully withheld); (m) to comply with all laws to which it or the Vanguard Properties may be subject if failure to do so would have a Vanguard Material Adverse Effect; and (o) to obtain all requisite authorisations.

Each of Vanguard Pledgeco, Vanguard Bidco, Vanguard Italian Bidco and Valdichiana have undertaken to use reasonable endeavours to (a) take all necessary corporate action to complete the Valdichiana Merger as soon as practicable and in accordance with the Vanguard Report referred to at paragraph (g) of the definition of "Vanguard Reports" and (b) procure that the Valdichiana Merger is completed on or before the date falling 6 months after the Vanguard Closing Date.

Vanguard Distribution Undertakings

Prior to the completion of the Valdichiana Merger, Valdichiana has undertaken that it shall (to the extent that it is able to do so from its distributable reserves):

(a) as soon as reasonably practicable following 31 December 2014 and in any event no later than the date falling immediately prior to the Loan Payment Date falling in May 2015, resolve to distribute and shall distribute to Vanguard Italian Bidco an amount equal to the aggregate of all amounts which will be payable by Vanguard Italian Bidco in respect of interest and amortisation on Vanguard Facility D on the Loan Payment Dates falling in May 2015, August 2015, November 2015 and February 2016;

(b) as soon as reasonably practicable following 31 December 2015 and in any event no later than the date falling immediately prior to the Loan Payment Date falling in May 2016, resolve to distribute and shall distribute to Vanguard Italian Bidco an amount equal to the aggregate of all amounts which will be payable by Vanguard Italian Bidco in respect of interest and amortisation on Vanguard Facility D on the Loan Payment Dates falling in May 2016, August 2016, November 2016 and February 2017;

(c) as soon as reasonably practicable following 31 December 2016 and in any event no later than the date falling immediately prior to the Loan Payment Date falling in May 2017, resolve to distribute and shall distribute to Vanguard Italian Bidco an amount equal to the aggregate of all amounts which will be payable by Vanguard Italian Bidco in respect of interest and amortisation on Vanguard Facility D on the Loan Payment Dates falling in May 2017, August 2017, November 2017 and February 2018;

(d) as soon as reasonably practicable following 31 December 2017 and in any event no later than the date falling immediately prior to the Loan Payment Date falling in May 2018, resolve to distribute and shall distribute to Vanguard Italian Bidco an amount equal to the aggregate of all amounts which will be payable by Vanguard Italian Bidco in respect of interest and amortisation on Vanguard Facility D on the Loan Payment Dates falling in May 2018, August 2018, November 2018 and February 2019; and

(e) as soon as reasonably practicable following 31 December 2018 and in any event no later than the date falling immediately prior to the Loan Payment Date falling in May 2019, resolve to distribute and shall distribute to Vanguard Italian Bidco an amount equal to the aggregate of all amounts which will be payable by Vanguard Italian Bidco in respect of interest and amortisation on Vanguard Facility D on the Loan Payment Dates falling in May 2019 and August 2019.

Promptly after resolving to make a distribution and in any event within three Business Days of such resolution, Valdichiana shall notify the Borrower Facility Agent:

(a) that such resolution has been made; and

(b) of the amount of the distributable reserves of Valdichiana and to which Vanguard Financial Year such reserves relate; and

(c) the amount of the distribution which has been approved

Vanguard Property Undertakings

The property undertakings by the Vanguard Borrower under the Vanguard Loan Agreement include the following:

Vanguard Lease Approvals

The Vanguard Loan Agreement restricts the ability of the Vanguard Obligors to take certain action in relation to the Vanguard Leases including entering into an agreement to grant a Vanguard Occupational Lease, granting any new Vanguard Occupational Lease or extending any Vanguard Occupational Lease, agreeing any amendment, waiver or surrender in respect of any Vanguard Occupational Lease, waiving, releasing, forfeiting or exercising any right of re-entry in respect of any Vanguard Occupational Lease or exercising any option or power to break or determine any Vanguard Occupational Lease, consenting to any assignment or sub-letting under any Vanguard Occupational Lease, consenting to any change of use in respect of any tenant's interest under a Vanguard Occupational Lease or agreeing to any rent reviews in respect of any Vanguard Occupational Lease (other than an upward rent review), (each a "**Vanguard Letting Activity**") in each case, other than where such activity constitutes a Vanguard Permitted Letting Activity.

Planning

Each Vanguard Obligor is required (a) to comply in all material respects with any conditions attached to any planning permissions and with any agreement or undertaking under any planning laws relating to or affecting any Vanguard Property (save for any such conditions, agreements or undertakings which are obligations solely of the tenant) and (b) not to carry out any material development on or of the Vanguard Property (save for any development contemplated and permitted by any applicable planning laws or permitted under the Vanguard Loan Agreement as detailed at "*Development*" below) or make any material change to the use of any Vanguard Property (other than in circumstances where the aggregate net lettable area in respect of which that change of use applies and which is permitted as described in this paragraph or as described in paragraph (g) of the definition of "Vanguard Permitted Letting Activity"

does not exceed four thousand (4000) square metres during the term of the Vanguard Loan and in respect of any Vanguard Property does not exceed ten percent of the net lettable area of that Vanguard Property).

Development

No Vanguard Obligor may effect, carry out, permit or incur capital expenditure in respect of any Vanguard Capex Project save for any Vanguard Permitted Capex Project.

Maintenance

Each Vanguard Obligor is required to (or to procure that the Vanguard Property Manager shall) repair and keep in good and substantial repair and condition the Vanguard Property owned by it in the interests of good estate management.

Information and Vanguard Property Monitoring

The Vanguard Borrowers are required to supply the Borrower Facility Agent with a quarterly management report together with each Vanguard Compliance Certificate as described under "*Information Undertakings*" above. The prescribed form of the quarterly management report to be delivered under the Vanguard Loan Agreement includes the following information in relation to the Vanguard Property:

(a) a tenancy schedule showing for each occupational tenant the rent, any guarantor terms, next rent review date, details of any break clause (with notice period), service charge, Vanguard VAT and any other payments payable and paid in the previous rental quarter by each of those tenants, details of any arrears and steps being taken to recover them, details of any rent reviews relating to any Vanguard Occupational Lease due in the next twelve months, in progress or agreed, details of any break clauses in any Vanguard Occupational Lease which have lapsed;

(b) a service charge schedule for the then current calendar year showing budgeted service charge against actual service charge to date for that year and an estimate of the amount of service charge which is not recoverable from the tenants of each Vanguard Property;

(c) details of any new Vanguard Leases and licences proposed or signed in the relevant period and, where signed, confirmation that such new Vanguard Leases or licences were entered into in accordance with the terms of the Vanguard Loan Agreement;

(d) details of any Vanguard Leases matured, determined or surrendered in the relevant period and leases maturing in next twelve months and action being taken;

(e) Vanguard Property Managers' reports (to include arrears and collections);

(f) details of any refurbishment or redevelopment or material repairs provided to or proposed in respect of a Vanguard Property including the projected costs in respect thereof, details of any irrecoverable expenditure incurred or to be incurred in relation to each Vanguard Property;

(g) information in respect of tenant relations;

(h) information in respect of litigations, including copies of any notices issued or received, material correspondence and details of any disputes;

(i) details of any insurance claims or damage to the Vanguard Property by any insured or uninsured risk;

(j) details of any material planning permissions submitted and of the grant or refusal of any material planning permission (or any variation thereof);

(k) a copy of any material notices or claims received in respect of each Vanguard Property;

(l) during the period of implementation of any Vanguard Capex Project, details of progress, cost and the allocation of funds to meet such costs; and

(m) details of any amendment, waiver, surrender or assignment of any Vanguard Occupational Lease.

Vanguard Property Manager

Each Vanguard Obligor is prohibited from terminating the appointment of the Vanguard Property Manager without the prior written consent of the Borrower Facility Agent (not to be unreasonably withheld) unless:

(a) the Borrower Facility Agent is first notified in writing at least five Business Days before the intended termination;

(b) a new Vanguard Property Manager is promptly appointed; and

(c) such termination does not lead to any Vanguard Obligor being an employer of any employees.

At the same time as the entry into each Vanguard Property Management Agreement, the Vanguard Borrower will ensure that the relevant Vanguard Property Manager enters into a Vanguard Duty of Care Agreement with the Borrower Facility Agent.

Asset Manager

Each Vanguard Obligor is prohibited from terminating the appointment of the Vanguard Asset Manager or replacing the Vanguard Asset Manager without the prior written consent of the Borrower Facility Agent (not to be unreasonably withheld) unless:

(a) the Borrower Facility Agent is first notified in writing at least five Business Days before the intended termination;

(b) a new Vanguard Asset Manager is promptly appointed under a Vanguard New Asset Management Agreement or a Vanguard Asset Manager continues to be appointed under a Vanguard Asset Management Agreement in respect of the same Vanguard Property; and

(c) such termination does not lead to any Vanguard Obligor being an employer of any employees

Insurances

Each Vanguard Obligor must effect and maintain or ensure that there is effected and maintained:

(a) insurance in respect of the Vanguard Property and other fixtures and fixed plant and machinery forming part of the Vanguard Property against such risks and contingencies as are insured in accordance with sound commercial practice on a full reinstatement basis, including the cost of demolition, site clearance, shoring and propping up, professional fees and Vanguard VAT relating thereto (together with provision for forward inflation) **provided that**, in respect of each Vanguard Property, earthquake insurance shall only be required to have a value in an amount not less than that indicated in a portfolio seismic risk assessment calculated for a 475 year event Scenario Expected Limit ("**SEL**") (with an exposure period of 50 years and a 10% probability of being exceeded) for that Vanguard Property (the probable maximum loss ("**PML**")), such risk assessment to be conducted by a third-party engineering firm qualified to perform such risk assessment using the most current RMS software or its equivalent and which includes consideration of loss amplification provided further that if such risk assessment concludes that the PML exceeds 20% of the reinstatement cost of that Vanguard Property, earthquake insurance must have a value in an amount not less than 150% multiplied by the PML (expressed as a percentage) multiplied by the reinstatement cost of that Vanguard Property;

(b) insurance against loss of Vanguard Rental Income relating to the Vanguard Property for a period of not less than three years';

(c) third party and public liability insurance (subject to an aggregate limit of €20,000,000);

(d) insurance in respect of acts of terrorism in respect of the Vanguard Property; and

(e) insurance against such other risks as a prudent property company carrying on the same or substantially the same business as that Vanguard Obligor would effect,

in each case with one or more insurers or underwriters (A) that meet the relevant Vanguard Requisite Rating; or (B) that are approved in writing by the Borrower Facility Agent (such approval not to be unreasonably withheld or delayed).

If any such insurer or underwriter with which insurance has been effected at any time ceases to have the relevant Vanguard Requisite Rating, the Borrower Facility Agent may request that such insurer or underwriter is replaced with a new insurer or underwriter that meets the relevant Vanguard Requisite Rating. The Vanguard Obligors are required in such circumstances to ensure that a replacement insurer or underwriter is put in place as soon as possible but in any event within 30 days of such request unless it is not possible to find a replacement with a Vanguard Requisite Rating in which case the Vanguard Bidco and the Borrower Facility Agent shall consult with each other with respect to potential alternatives (for a period of no more than five Business Days and both acting reasonably). At the end of such period of consultation the Borrower Facility Agent shall specify which alternative insurer or underwriter may be used to effect any Vanguard Insurance Policy with.

Each such insurance policy, except any insurance policy in respect of third party and public liability risks, must name the Borrower Security Agent as co-insured and as loss payee.

Environmental Matters

Each Vanguard Borrower is required to ensure compliance with all laws or regulations which relate to the pollution or protection of the environment, the conditions of the workplace or the generation, handling, storage, use, release or spillage of any substance capable of causing harm to the environment ("**Environmental Law**") applicable to a Vanguard Property and obtain and ensure compliance with all requisite Vanguard Environmental Permits as required for the business carried on at its Vanguard Properties or to which a Vanguard Obligor is subject where failure to do so would have a Vanguard Material Adverse Effect.

Each Vanguard Borrower must supply the Borrower Facility Agent promptly upon becoming aware of them, the details of any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law ("**Environmental Claim**") which is current or threatened or pending against a member of the Vanguard Group and any facts or circumstances which shall or are reasonably likely to result in an Environmental Claim being commenced or threatened against any Vanguard Obligor, which, in each case, if adversely determined, would have a Vanguard Material Adverse Effect.

Financial Covenants

For the purposes of the financial covenants:

"**Vanguard ICR**" means, on any Loan Payment Date, the ratio of Vanguard Net Rental Income (excluding any receipts from or the value of consideration given for the surrender of any Vanguard Occupational Lease) received by the Vanguard Obligors to Vanguard Interest Costs, in each case, in respect of the Vanguard Relevant Period ending on the Vanguard Test Date falling immediately prior to that Loan Payment Date assuming for these purposes that:

(a) in respect of the Vanguard Financial Quarter ending on 31 December 2013, Vanguard Net Rental Income was €4,037,000 and Vanguard Interest Costs were €1,239,000 (if the Valdichiana Merger has not occurred) or €1,164,000 (if the Valdichiana Merger has occurred);

(b) in respect of the Vanguard Financial Quarter ending on 31 March 2014, Vanguard Net Rental Income was €4,144,000 and Vanguard Interest Costs were €1,254,000 (if the Valdichiana Merger has not occurred) or €1,179,000 (if the Valdichiana Merger has occurred); and

(c) in respect of the Vanguard Financial Quarter ending on 30 June 2014, Vanguard Net Rental Income was €4,144,000 and Vanguard Interest Costs were €1,259,000 (if the Valdichiana Merger has not occurred) or €1,185,000 (if the Valdichiana Merger has occurred).

"**Vanguard Interest Costs**" means, for any Vanguard Relevant Period, all interest which was payable by the Vanguard Obligors to the Vanguard Finance Parties under the Vanguard Loan Documents minus any amounts received by the Vanguard Obligors under the Vanguard Hedging Agreements.

"**Vanguard LTV Ratio**" means, at any time, the proportion expressed as a percentage which Vanguard Net Debt bears to the aggregate market value of the Vanguard Property at that time calculated by reference to the then most recent Vanguard Valuation.

"**Vanguard LTV Test Date**" means:

(a) each Loan Payment Date falling after the first anniversary of the Vanguard Utilisation Date; and

(b) the Loan Payment Date falling on or immediately after the date of the delivery of any Vanguard Valuation requested as a result of a compulsory purchase.

"**Vanguard Net Debt**" means, on any date, the aggregate principal amount outstanding of the Vanguard Loans:

(a) minus the aggregate amount standing to the credit of the Vanguard Borrower Prepayment Account, the Vanguard Borrower Cash Trap Account and the Vanguard Borrower Equity Cure Account; and

(b) in respect of any calculation of the Vanguard LTV Ratio on a Loan Payment Date falling on or immediately after the date of the delivery of a Vanguard Valuation requested by the Borrower Facility Agent as a result of a compulsory purchase or nationalisation or other expropriation, assuming that the Vanguard Loans have been prepaid together with all other fees, Vanguard Break Costs and other amounts due as a result of that prepayment in an aggregate amount equal to the amount receivable by the Vanguard Obligors in respect of the relevant compulsory purchase or nationalisation or other expropriation.

"**Vanguard Relevant Period**" means each period of twelve (12) months commencing on a Vanguard Test Date and ending on the anniversary of that Vanguard Test Date.

"**Vanguard Test Date**" means the last day of each Vanguard Financial Quarter.

Vanguard LTV

Each Vanguard Obligor shall ensure that on each Vanguard LTV Test Date the Vanguard LTV Ratio is not greater than 82.5% (the "**Vanguard LTV Covenant**").

Vanguard ICR

Each Vanguard Obligor shall ensure that on each Loan Payment Date the Vanguard ICR for the Vanguard Relevant Period ending on the Vanguard Test Date falling immediately prior to that Loan Payment Date is not less than 1.40:1 (the "**Vanguard ICR Covenant**").

Testing

The Vanguard Loan Agreement provides that the Vanguard LTV Covenant will be tested by reference to the then most recent Vanguard Valuation and the information contained in the relevant Vanguard Compliance Certificate and the Vanguard ICR Covenant will be tested by reference to the information contained in the relevant Vanguard Compliance Certificate.

Vanguard Cure Rights

If the Vanguard LTV Covenant is not satisfied on any Vanguard LTV Test Date or the Vanguard ICR Covenant is not satisfied on any Vanguard Test Date, Vanguard Bidco may within 20 Business Days of (in the case of the Vanguard LTV Covenant) the relevant Vanguard LTV Test Date or (in the case of the Vanguard ICR Covenant) the relevant Loan Payment Date falling immediately after the relevant Vanguard Test Date (as applicable) (a) deposit into a Vanguard Borrower Equity Cure Account or (b) prepay the Vanguard Loan in, in each case, an amount sufficient to ensure that if such amount had been applied in prepayment of the Vanguard Loans (in the case of the Vanguard ICR Covenant, on the first day of the Vanguard Relevant Period in respect of which a breach of the Vanguard ICR Covenant has occurred) the Vanguard LTV Covenant and/or the Vanguard ICR Covenant would be satisfied, such right being a "**Vanguard Cure Right**".

Subject to the limitations below, if Vanguard Bidco exercises a Vanguard Cure Right, the Vanguard Obligors will not be regarded as being in breach of the Vanguard LTV Covenant and/or the Vanguard ICR Covenant (as applicable) as at the relevant Vanguard LTV Test Date or Loan Payment Date without prejudice to any subsequent breach of such covenants.

The exercise of any Vanguard Cure Right may: (i) only be made a maximum of four times in total from the Vanguard Closing Date; and (ii) not be used in respect of more than two consecutive Vanguard Test Dates.

Vanguard Valuations

The Vanguard Initial Valuation was prepared by Cushman Wakefield as a condition precedent to Vanguard Utilisation. Subject to the paragraph immediately below, the Borrower Facility Agent may thereafter instruct a Vanguard Valuer to prepare a Vanguard Valuation at any time after the first anniversary of the Vanguard Utilisation Date in respect of all the Vanguard Obligors' interests in the Vanguard Property.

At any time while a Vanguard Default is continuing or on receipt of by the Borrower Facility Agent of a notification from the Vanguard Borrower that the whole or any material part of the Vanguard Property is being compulsorily purchased, the Borrower Facility Agent may request a further Vanguard Valuation.

The Vanguard Obligors are required to pay on demand the costs of: (i) the Vanguard Initial Valuation (ii) any further Vanguard Valuation of the Vanguard Properties instructed by the Borrower Facility Agent after the first anniversary of the Vanguard Utilisation Date (subject to a limitation of one Vanguard Valuation in any twelve month period) (iii) any Vanguard Valuation instructed whilst a Vanguard Default is continuing or (iv) any Vanguard Valuation requested by the Borrower Facility Agent following receipt by it of a notification from a Vanguard Borrower that the whole or any material part of the Vanguard Property is being compulsorily purchased. Any Vanguard Valuation instructed by the Borrower Facility Agent other than as set out above will be at the cost of the lenders and will not constitute a Vanguard Valuation for the purposes of the Vanguard Loan Agreement.

Guarantee

Guarantee

Each Vanguard Guarantor has irrevocably and unconditionally jointly and severally:

(c) guaranteed to each Vanguard Finance Party punctual performance by each other Vanguard Obligor of all that Vanguard Obligor's obligations under the Vanguard Loan Documents;

(d) undertaken with each Vanguard Finance Party that whenever another Vanguard Obligor does not pay any amount when due under or in connection with any Vanguard Loan Document, that Vanguard Guarantor shall immediately on demand by the Borrower Facility Agent pay that amount as if it was the principal obligor; and

(e) agreed with each Vanguard Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify that Vanguard Finance Party immediately on demand against any cost, loss or liability it incurs as a result of any other Vanguard Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Vanguard Loan Document on the date when it would have been due provided that the amount payable by the Vanguard Guarantors under this indemnity will not exceed the amount it would have had to pay if the amount claimed had been recoverable on the basis of a guarantee.

Notwithstanding any term of any Vanguard Loan Documents, the parties have agree that the limitations set out below will apply to the obligations of each Vanguard Guarantor incorporated in Italy (a "**Vanguard Italian Guarantor**") in its capacity as Vanguard Guarantor in respect of the obligations of any other Vanguard Obligor (the "**Vanguard Italian Guarantee Obligations**").

The Vanguard Italian Guarantee Obligations of a Vanguard Italian Guarantor shall at all times be limited to a maximum equal to:

(a) in respect of the Vanguard Italian Guarantee Obligations of Brindisi, €15,800,000;

(b) in respect of the Vanguard Italian Guarantee Obligations of Carpi, €9,700,000;

(c) in respect of the Vanguard Italian Guarantee Obligations of Vanguard Italian Bidco, prior to the completion of the Valdichiana Merger, €16,994,500 and from the completion of the Valdichiana Merger, €50,500,000; and

(d) in respect of the Vanguard Italian Guarantee Obligations of La Scaglia, €11,050,000,

provided that no Vanguard Italian Guarantee Obligations will extend to include any obligation which would give rise to a breach of the provisions of Italian law relating to financial assistance including, but not limited to, as provided under Articles 2474 and 2358 of the Italian Civil Code and provided that, in order to comply with the aforementioned Italian law provisions, no Vanguard Italian Guarantor shall be liable as a Vanguard Guarantor under Vanguard Loan Agreement for any obligations of any Vanguard Obligor in respect of any Vanguard Acquisition costs and related expenses.

Prior to the completion of the Valdichiana Merger, no Vanguard Italian Guarantee Obligation of any Vanguard Italian Guarantor (other than Vanguard Italian Bidco) will include any obligation of Valdichiana.

On and from the completion of the Valdichiana Merger the Vanguard Italian Guarantee Obligation of each Vanguard Italian Guarantor (other than Vanguard Italian Bidco) will include any obligation of Vanguard Italian Bidco (including any obligations of Valdichiana assumed by Vanguard Italian Bidco as a consequence of the Valdichiana Merger).

Pursuant to article 1938 of the Italian Civil Code the aggregate maximum amount recoverable from or required to be paid by a Vanguard Italian Guarantor in respect of its Vanguard Italian Guarantee Obligations shall not exceed:

(a) in respect of the Vanguard Italian Guarantee Obligations of Brindisi, €15,800,000;

(b) in respect of the Vanguard Italian Guarantee Obligations of Carpi, €9,700,000;

(c) in respect of the Vanguard Italian Guarantee Obligations of Vanguard Italian Bidco, prior to the completion of the Valdichiana Merger, €16,994,500 and from the completion of the Valdichiana Merger, €50,500,000; and

(d) in respect of the Vanguard Italian Guarantee Obligations of La Scaglia, €11,050,000.

Vanguard Default

Vanguard Default

The Vanguard Loan Agreement contains the typical events of default for loans secured on Italian commercial property including non-payment of sums due (subject to a 3 Business Day grace period for a non-payment caused by technical or administrative error and an exclusion for non-payment resulting from default on the part of the Borrower Facility Agent in applying amounts in the Vanguard Borrowers Rental Income Accounts in accordance with the Vanguard Loan Agreement in circumstances where the Vanguard Borrowers Rental Income Accounts contained sufficient funds to make such payments in accordance with the provisions described in "*Vanguard Borrowers Rental Income Accounts*" below), breach of financial covenants (unless cured as described under "*Financial Covenants*" above), breach of the terms of the Vanguard Loan Documents (subject, in the case of certain breaches to cure periods of varying lengths), misrepresentation (subject to a 21 day cure period), other financial indebtedness owed by the Vanguard Obligors not being paid when due or being prematurely declared due (other than to the extent that the aggregate amount of such financial indebtedness is less than €250,000), insolvency of any Vanguard Obligor (subject to a 21 day cure period for balance sheet insolvency and provided that a balance sheet insolvency test shall only apply to a Vanguard Obligor in the event that its centre of main interests is in a jurisdiction in which insolvency proceedings may be commenced as a result of balance sheet insolvency) and analogous events, insolvency proceedings with respect to any Vanguard Obligor (except where such proceedings are contested in good faith and stayed or dismissed within 21 days of their commencement), any of the Vanguard Loan Documents ceasing to be in full force and effect, any

part of a Vanguard Property is subject to a compulsory purchase which would have a Vanguard Material Adverse Effect (taking into account the insurance policy relating to that part of the Vanguard Property and any prepayment made by the Vanguard Obligors), damage to or destruction of any part of the Vanguard Property which would have a Vanguard Material Adverse Effect (taking into account the insurance policy relating to that part of the Vanguard Property, any Vanguard Permitted Capex Project which is necessary to prevent a Vanguard Loan Event of Default and which is contracted and can be funded from amounts standing to the credit of the Vanguard Borrowers General Accounts or Vanguard Excluded Insurance Proceeds which the relevant insurer has committed to advance and any prepayment made by the Vanguard Obligors) or the occurrence of an event or circumstance which has a Vanguard Material Adverse Effect.

The Vanguard Loan Agreement also contains the following events of default (together with the events of default listed above, each a "**Vanguard Loan Event of Default**"): (a) the occurrence of the circumstances set forth in Article 2447, or 2482-ter, as applicable, of the Italian Civil Code in relation to a Vanguard Borrower (unless, within 30 days of the date on which the directors of the Vanguard Borrower become aware of such occurrence, a shareholders' meeting is held to duly pass a resolution approving a capital increase to comply with the minimum capital requirements under Italian law and setting a deadline for the payment by the shareholders of the amounts required in connection with such capital increase); (b) any amounts required to be paid up in connection with a capital increase described in (a) above are not paid up (c) repudiation of a Vanguard Loan Document by a Vanguard Obligor or a Vanguard Subordinated Creditor and (d) an audit qualification in the annual financial statements of any member of the Vanguard Group in connection with inadequacy of information or the going concern basis of such member of the Vanguard Group (excluding any qualification, emphasis of matter, statement or commentary relating to future compliance or breach of the Vanguard Loan Documents).

Acceleration / Enforcement

If a Vanguard Loan Event of Default has occurred which has not been remedied or waived, the Borrower Facility Agent may (and must if so directed by the Vanguard Majority Lenders) by notice to Vanguard Bidco, cancel the Vanguard Total Commitments at which time they shall be immediately cancelled, declare the Vanguard Loan (and related amounts accrued and outstanding under the Vanguard Loan Documents) to be immediately due and payable, declare the Vanguard Loan to be payable on demand of the Borrower Facility Agent acting on the instructions of the Vanguard Majority Lenders and/or enforce or direct the Borrower Security Agent to enforce the Vanguard Loan Security or exercise any or all of its rights, remedies, powers or discretions under any of the Vanguard Loan Documents.

Amendments and Waivers

The Vanguard Loan Agreement generally provides that decisions made by the Vanguard Majority Lenders are binding on all of the Finance Parties save that certain decisions require the consent of each of the lenders. The list of decisions which require all lender consent is typical for a loan agreement relating to the financing of real estate in Italy.

The Vanguard Loan Agreement provides that if any lender does not accept or reject a request from a Vanguard Obligor for any consent amendment, waiver or release under any Vanguard Loan Document before the later of 15 Business Days from the date of such request (unless a longer time period is specified by the relevant Vanguard Obligor with the prior agreement of the Borrower Facility Agent) and the time period for lenders to respond to that request, that lender's participations and Vanguard Commitment shall not be included when considering whether the approval of the Vanguard Majority Lenders or of all of the lenders under the Vanguard Loan Agreement (as applicable) has been obtained in respect of that request.

Conditions subsequent

The Vanguard Loan Agreement includes (amongst others) the following condition subsequent which remain to be satisfied by the Vanguard Obligors:

(a) on or before the Vanguard Account Backstop Date, procure that the Borrower Facility Agent is provided with evidence of the establishment of each Vanguard Borrower Account required to be opened by the Vanguard Additional Borrowers; a copy of the duly signed bank mandates for those accounts; a signed and date Italian account pledge over each account and legal opinions

to the enforceability of the account pledge and capacity of the Vanguard Additional Borrowers to enter into the account;

(b) on or prior to the date falling 35 Business Days after the Vanguard Closing Date the Vanguard Obligors must ensure that a copy of the relevant notice of the assignment of receivables under the relevant Vanguard Occupational Lease is sent to each tenant under a Vanguard Occupational Lease existing on the Vanguard Closing Date;

(c) on the date on which the Valdichiana Merger is completed, the Vanguard Obligors must ensure that they provide the Borrower Facility Agent with all the documents and evidence listed in the Vanguard Loan Agreement relating to:

(i) the grant of second ranking security and confirmatory security by Vanguard Italian Bidco (as the surviving entity of the Valdichiana Merger) in support of the obligations of the other Vanguard Borrowers under the Vanguard Loan Documents; and

(ii) the grant of second ranking security and confirmatory security by the Vanguard Borrowers (other than Valdichiana and Vanguard Bidco) in support of the obligations of Vanguard Italian Bidco (as the surviving entity of the Valdichiana Merger) under the Vanguard Loan Documents;

(d) within 15 Business Days of the approval by the board of directors of each of Vanguard Italian Bidco and Valdichiana of the proposal to undertake the Valdichiana Merger, the Vanguard Obligors must ensure that they provide the Borrower Facility Agent with evidence that the relevant Obligors have made a submission to the Italian Tax Authorities to obtain a tax ruling relating to the tax losses of Valdichiana;

(e) in the event that the aggregate of the amounts due and payable in respect of interest and amortisation in respect of Vanguard Facility D on the Loan Payment Date falling in November 2014 is greater than the Vanguard Initial Debt Service Deposit Amount, Vanguard Bidco shall no later than the Loan Payment Date falling in November 2014, pay (or shall procure that is paid) an amount equal to the difference between such amounts into the Vanguard Italian Bidco Debt Service Reserve Account.

Vanguard Syndication and Securitisation Costs

Pursuant to a side letter to the Vanguard Loan Agreement, the Vanguard Obligors have agreed to pay (or procure is paid):

(a) to any lender under the Vanguard Loan Agreement or any Vanguard New Finance Party, the amount of any ongoing third party costs, fees and expenses (the "**Vanguard Ongoing Costs**") reasonably incurred by that lender or Vanguard New Finance Party in connection with a syndication or Vanguard Securitisation of its participation in the Vanguard Loan provided that:

(i) copies of the relevant invoice(s) are, or evidence that such costs have been contracted is, provided to Vanguard Bidco;

(ii) the aggregate annual amount that the Vanguard Obligors are required to pay (or procure is paid) in any calendar year as described in this paragraph is capped at the Vanguard Maximum Ongoing Costs Amount;

(b) to any Vanguard Finance Party, the amount of any fees payable by that Vanguard Finance Party to any servicer or special servicer in connection with any syndication or Vanguard Securitisation of the Vanguard Loan and which arise as a result of the occurrence of a Vanguard Loan Event of Default (including, for the avoidance of doubt, any workout fee, any liquidation fee, any default loan fee and any special servicing costs (if any)) (the "**Vanguard Servicer Default Fees**") provided that the maximum amount of any Vanguard Servicer Default Fees that the Vanguard Obligors are required to pay (or procure is paid) to any Vanguard Finance Party as described in this paragraph (b) shall not exceed the Vanguard Maximum Servicer Default Fees Amounts.

In this section:

"**Vanguard Maximum Ongoing Costs Amount**" means, in respect of any calendar year, €75,000:

(a) plus any Vanguard VAT and any disbursements arising, or incurred by any advisor appointed in relation to such syndication or Vanguard Securitisation of the Vanguard Loan, in connection with the Vanguard Ongoing Costs; and

(b) minus the amount of the facility agent fee and the security agent fee payable by the Vanguard Obligors in respect of that calendar year,

provided that in the event that a Vanguard Securitisation of the Vanguard Loan occurs and such Vanguard Securitisation is also a securitisation of the loans advanced pursuant to the Franc Loan Agreement, the Vanguard Maximum Ongoing Costs Amount shall, for so long as any obligor has any present or future obligations or liabilities (whether actual or contingent) under the Franc Loan Documents, be zero.

"**Vanguard Maximum Servicer Default Fees Amounts**" means, in respect of any Vanguard Servicer Default Fees:

(a) with respect to any liquidation fee, no more than 50 basis points of any liquidation proceeds; and

(b) with respect to any special servicing fee, no more than 15 basis points of the outstanding balance of the Vanguard Loan at the start of the relevant period per annum, payable quarterly,

in each case, plus any Vanguard VAT in connection with any such Vanguard Servicer Default Fees, provided that in the event that a Vanguard Securitisation of the Vanguard Loan occurs and such Vanguard Securitisation is also a securitisation of the loans advanced pursuant to the Franc Loan Agreement, the Vanguard Maximum Servicer Default Fees Amounts specified above shall be:

(i) with respect to any liquidation fee, no more than the lesser of:

(A) 50 basis points of any liquidation proceeds; and

(B) €392,187.50,

in each case, when aggregated with any liquidation fees which a Franc Obligor has reimbursed to a Franc Finance Party under the terms of the Franc Loan Documents;

(ii) with respect to any special servicing fee, no more than the lesser of:

(A) 15 basis points of the outstanding balance of the Vanguard Loan at the start of the relevant period per annum; and

(B) 117,656.25 per annum,

in each case, when aggregated with any special servicing fees which a Franc Obligor has reimbursed to a Franc Finance Party under the terms of the Franc Loan Documents and in each case, payable quarterly,

in each case, plus any Vanguard VAT in connection with any such Vanguard Servicer Default Fees.

C The Vanguard Borrower Cap Agreement

The Vanguard Borrowers have entered into the Vanguard Borrower Cap Agreement pursuant to which Vanguard Borrower Cap Provider will make payments to the extent that three-month EURIBOR exceeds the rates specified therein. The payments under the Vanguard Borrower Cap Agreement will be based upon the notional amount of such Vanguard Borrower Cap Agreement which is intended to match the scheduled (or anticipated) amortisation schedule on the Vanguard Loan. For further information see section entitled "*Description of the Borrower Hedging Agreements – The Vanguard Borrower Cap*".

D The Vanguard Loan Security

The Vanguard Loan is secured by the Vanguard Loan Security Agreements.

Vanguard Italian Law Security

Under the Italian law Vanguard Loan Security Agreements, the Vanguard Obligors have granted the following security:

Vanguard Bidco

(a) an assignment of rights under the Vanguard Acquisition Documents entered into by Vanguard Bidco as assignor and the Borrower Security Agent as common representative;

(b) the pledge over the quota in the Vanguard Italian Bidco entered into by Vanguard Bidco as pledgor and the Borrower Security Agent as common representative;

(c) the pledge over the quota in the La Scaglia entered into by Vanguard Bidco as pledgor and the Borrower Security Agent as common representative;

(d) the pledge over the quota in Brindisi entered into by Vanguard Bidco as pledgor and the Borrower Security Agent as common representative;

(e) the pledge over the quota in Carpi entered into by Vanguard Bidco as pledgor and the Borrower Security Agent as common representative;

Vanguard Italian Bidco

(a) the assignment of rights under the Valdichiana Acquisition Documents entered into by Vanguard Italian Bidco as assignor and the Borrower Security Agent as common representative;

(b) the account pledge in respect of the Vanguard Italian Bidco Accounts entered into by the Vanguard Italian Bidco as pledgor and the Borrower Security Agent as common representative;

(c) the pledge over the quota in Valdichiana entered into by Vanguard Italian Bidco as pledgor and the Borrower Security Agent as common representative;

La Scaglia

(a) the mortgage security over the La Scaglia Property entered into by La Scaglia as mortgagor and the Borrower Security Agent as common representative;

(b) the assignment of receivables under each Vanguard Occupational Lease in respect of the La Scaglia Property entered into by La Scaglia as assignor and the Borrower Security Agent as common representative;

(c) the account pledge in respect of the La Scaglia Accounts entered into by La Scaglia as pledgor and the Borrower Security Agent as common representative;

Brindisi

(a) the mortgage security over the Brindisi Property entered into by Brindisi as mortgagor and the Borrower Security Agent as common representative;

(b) the assignment of receivables under each Vanguard Occupational Lease in respect of the Brindisi Property entered into by Brindisi as assignor and the Borrower Security Agent as common representative;

(c) the assignment of receivables under the Brindisi Acquisition Documents entered into by Brindisi as assignor and the Borrower Security Agent as common representative;

(d) the account pledge in respect of the Vanguard Borrowers Existing Accounts of Brindisi entered into by Brindisi as pledgor and the Borrower Security Agent as common representative;

Carpi

(a) the mortgage security over the Carpi Property entered into by Carpi as mortgagor and the Borrower Security Agent as common representative;

(b) the assignment of receivables under each Vanguard Occupational Lease in respect of the Carpi Property entered into by Carpi as assignor and the Borrower Security Agent as common representative;

(c) the assignment of receivables under the Carpi Acquisition Documents entered into by Carpi as assignor and the Borrower Security Agent as common representative;

(d) the account pledge in respect of the Vanguard Borrowers Existing Accounts of Carpi entered into by Carpi as pledgor and the Borrower Security Agent as common representative;

Valdichiana

(a) the mortgage security over the Valdichiana Property entered into by Valdichiana as mortgagor and the Borrower Security Agent as common representative;

(b) the assignment of receivables under each Vanguard Occupational Lease in respect of the Valdichiana Property entered into by Valdichiana as assignor and the Borrower Security Agent as common representative;

(c) the assignment of receivables under the Valdichiana Acquisition Documents entered into by Valdichiana as assignor and the Borrower Security Agent as common representative; and

(d) the account pledge in respect of the Vanguard Borrowers Existing Accounts of Valdichiana entered into by Valdichiana as pledgor and the Borrower Security Agent as common representative.

Pledges over Quotas

The pledge agreements over the quotas listed above require as perfection formalities the registration and filing of the agreements with the relevant Companies' Register. The pledges over quotas have been registered and filed with the relevant Companies' Register.

Assignments of Receivables under the Vanguard Acquisition Documents

The assignments over the receivables arising under the Vanguard Acquisition Documents require as a perfection formality notices to be sent to the counterparties through court bailiff, or acceptances signed by the counterparties bearing an indisputable date. The acceptances have been signed by the counterparties.

Assignments of Receivables arising under the Vanguard Occupational Leases

The assignments over receivables arising under the Vanguard Occupational Leases require as a perfection formality notices to be sent to the counterparties through court bailiff, or acceptances signed by the counterparties bearing an indisputable date.

Mortgages agreement

The mortgage agreements listed above requires as perfection formalities the registration of the agreement and the registration of the mortgage with the competent registry office (*Agenzia del Territorio)* – Real Estate Disclosure Office (*Servizio di Pubblicità Immobiliare*). The mortgage agreements and the mortgages have been registered.

Pledges over Accounts

The pledges over the Vanguard Borrowers Accounts require as a perfection formality notices to be sent to the relevant account banks (*banca depositaria*) through court bailiff, or acceptances signed by the

relevant account banks (*banca depositaria*) bearing an indisputable date. The acceptances have been signed by the relevant account banks (*banca depositaria*).

Additional perfection formalities are required, periodically, to ensure the pledge over all sums credited to the accounts from time to time, and the credit for repayment of the balance existing on the accounts.

As at the Vanguard Closing Date none of the Brindisi Accounts, the Carpi Accounts or the Valdichiana Accounts had been opened. The Vanguard Loan Agreement requires the relevant Vanguard Borrowers to open such accounts and to grant Vanguard Security over such accounts on or before the Vanguard Account Backstop Date.

Vanguard English Law Security

Under the English law Vanguard Loan Security Agreements, the following security has been granted:

(a) the assignment of receivables under the Vanguard Hedging Agreements and Vanguard Insurance Policies entered into by Vanguard Italian Bidco as assignor and the Borrower Security Agent as security agent;

(b) the assignment of receivables under the Vanguard Hedging Agreements and Vanguard Insurance Policies entered into by La Scaglia as assignor and the Borrower Security Agent as security agent;

(c) the assignment of receivables under the Vanguard Hedging Agreements and Vanguard Insurance Policies entered into by Brindisi as assignor and the Borrower Security Agent as security agent;

(d) the assignment of receivables under the Vanguard Hedging Agreement and Vanguard Insurance Policies entered into by Carpi as assignor and the Borrower Security Agent as security agent; and

(e) the assignment of receivables under the Vanguard Hedging Agreement and Vanguard Insurance Policies entered into by Valdichiana as assignor and the Borrower Security Agent as security agent.

In connection with such Vanguard Security notices have been served by the relevant Vanguard Obligors upon the Vanguard Borrower Cap Provider and the insurers in respect of the Vanguard Insurance Policies existing at the Vanguard Closing Date (other than any insurer in respect of third party or property owner's liability) and acknowledgements of such Vanguard Security have been received.

Vanguard Luxembourg Law Security

Under the Luxembourg law Vanguard Loan Security Agreements, the following security has been granted:

(a) the pledge over the shares in Vanguard Bidco entered into by the Vanguard Pledgeco as pledgor and the Borrower Security Agent as security agent;

(b) the pledge over receivables owed to Vanguard Pledgeco by Vanguard Bidco entered into by the Vanguard Pledgeco as pledgor and the Borrower Security Agent as security agent;

(c) the account pledge in respect of the Vanguard Pledgco General Account entered into by Vanguard Pledgeco as pledgor and the Borrower Security Agent as security agent;

(d) an account pledge in respect of the Vanguard Bidco Accounts entered into by Vanguard Bidco as pledgor and the Borrower Security Agent as security agent;

(e) the pledge over receivables owed to Vanguard Bidco by Brindisi, La Scaglia, Vanguard Italian Bidco and Carpi entered into by Vanguard Bidco as pledgor and the Borrower Security Agent as common representative; and

(f) the pledge over receivables owed to Vanguard Italian Bidco by Valdichiana, entered into by Vanguard Italian Bidco as pledgor and the Borrower Security Agent as common representative.

Enforceability

The security under the English law Vanguard Loan Security Agreements and the Luxembourg law Vanguard Loan Security Agreements are expressed to be enforceable if a Vanguard Loan Event of Default has occurred which has not been remedied or waived. The Italian law Vanguard Loan Security Agreements are expressed to be enforceable if a Vanguard Loan Event of Default has occurred which has not been remedied or waived following which the Borrower Facility Agent serves a notice of enforcement under the provisions of the Vanguard Loan Agreement.

Security limitations

The Vanguard Security granted as referred to above is subject to the following limitations:

Corporate benefit limitation

The recourse of the Vanguard Finance Parties to the Vanguard Security granted by each Vanguard Obligor incorporated in Italy is not subject to any monetary cap to the extent that such Vanguard Security relates to the obligations and liabilities of the relevant Vanguard Obligor which granted such Vanguard Security in its capacity as a borrower under the Vanguard Loan Agreement.

The recourse of the Vanguard Finance Parties to the Vanguard Security granted by each Vanguard Obligor incorporated in Italy is subject to a monetary cap to the extent that such Vanguard Security relates to the obligations and liabilities of the other Vanguard Obligors as follows:

(a) in respect of Brindisi, €15,800,000;

(b) in respect of Carpi, €9,700,000;

(c) in respect of Vanguard Italian Bidco, prior to the completion of the Valdichiana Merger, €16,994,500 and from the completion of the Valdichiana Merger, €50,500,000; and

(d) in respect of La Scaglia, €11,050,000.

Any payment made by a Vanguard Obligor in its capacity as a Vanguard Guarantor under or in connection with the Vanguard Loan Agreement, including as a result of the enforcement of any security or guarantee granted by the relevant Vanguard Obligor in connection with the Vanguard Loan Agreement, shall automatically reduce the maximum amount set out above in respect of each Vanguard Obligor by an equivalent amount.

Valdichiana limitation

Prior to the completion of the Valdichiana Merger (a) the Vanguard Security granted by Valdichiana shall not secure the obligations and/or liabilities of any other Vanguard Obligor and (b) the Vanguard Security granted by Vanguard Italian Bidco shall secure the obligations and/or liabilities of each other Vanguard Obligor incorporated in Italy (subject to "*Corporate benefit limitation*" above) (c) the Vanguard Security granted by Brindisi, Carpi and La Scaglia shall not secure the obligations and/or liabilities of Valdichiana, Vanguard Bidco and Vanguard Pledgeco but shall secure the obligations and/or liabilities of each other Vanguard Obligor (subject to "*Corporate benefit limitation*" above).

Upon the completion of the Valdichiana Merger the Vanguard Loan Agreement requires the Vanguard Obligors to enter into supplementary Vanguard Security (including second ranking mortgages over each Vanguard Property) which (once entered into) will result in (a) the Vanguard Security granted by Valdichiana securing the obligations and/or liabilities of each other Vanguard Obligor incorporated in Italy and (b) the Vanguard Security granted by Brindisi, Carpi and La Scaglia securing the obligations and/or liabilities of each other Vanguard Obligor other than Vanguard Bidco and Vanguard Pledgeco, in each case subject to "*Corporate benefit limitation*" above.

E Vanguard Subordination Agreement

An English law governed subordination agreement (the "**Vanguard Subordination Agreement**") has been entered into between, the Borrower Facility Agent, the Borrower Security Agent, Vanguard Pledgeco and Vanguard Bidco as original obligors (the "**Vanguard Original Obligors**"), and Vanguard

Topco S.á r.l., Vanguard Pledgeco and Vanguard Bidco as original junior creditors (the "**Vanguard Original Subordinated Creditors**"). The Vanguard Subordination Agreement governs the inter-relationship between the Finance Parties and the Vanguard Subordinated Creditors. The Vanguard Additional Borrowers acceded to the Vanguard Subordination Agreement as new Vanguard Obligors and as new Vanguard Subordinated Creditors on the Vanguard Closing Date.

For the purposes of the Vanguard Subordination Agreement:

"**Vanguard Obligors**" means the Vanguard Original Obligors and any company which at any time which accedes to the Vanguard Subordination Agreement as a new Vanguard Obligor.

"**Vanguard Senior Debt**" means all Liabilities payable or owing by any Vanguard Obligor, whether owed jointly, severally or in any other capacity whatsoever, and whether incurred by a Vanguard Obligor or by some other person, to the Vanguard Finance Parties (or any of them) under or in connection with the Vanguard Loan Documents.

"**Vanguard Senior Debt Discharge Date**" means the date on which all the Vanguard Senior Debt has been unconditionally and irrevocably paid and discharged in full, as determined by the Borrower Facility Agent.

"**Vanguard Subordinated Creditor**" means each of the Vanguard Original Subordinated Creditors and any company which at any time accedes to the Vanguard Subordination Agreement a new Vanguard Subordinated Creditor.

"**Vanguard Subordinated Document**" means any document evidencing or recording the terms of any Vanguard Subordinated Debt.

"**Vanguard Subordinated Debt**" means all Liabilities payable or owing by the Vanguard Obligors, whether owed jointly, severally or in any other capacity whatsoever, and whether incurred by a Vanguard Obligor or by some other person, to the Vanguard Subordinated Creditors (or any of them) from time to time.

"**Vanguard Subordination Period**" means the period beginning on the date of this Deed and ending on the Vanguard Senior Debt Discharge Date.

"**Liability**" means any present or future obligation or liability (whether actual or contingent), together with:

(a) any novation, deferral or extension of that liability;

(b) any further advance which may be made under any agreement expressed to be supplemental to any document in respect of that liability, together with all related interest, fees and costs;

(c) any claim for damages or restitution in the event of rescission of that liability or otherwise;

(d) any claim flowing from any recovery by a payment or discharge in respect of that liability on grounds of preference or otherwise; and

(e) any amount (such as post-insolvency interest) which would be included in any of the above but for its discharge, non-provability, unenforceability or non-allowability in any insolvency or other proceedings.

Subordination

Pursuant to the Vanguard Subordination Agreement the Vanguard Subordinated Creditors have agreed that the Vanguard Subordinated Debt is subordinate in right of payment to the Vanguard Senior Debt and that the rights of the Vanguard Subordinated Creditors in respect of the Vanguard Subordinated Debt are subordinated to the Vanguard Senior Debt.

Restrictions on Payments

The Vanguard Subordination Agreement contains usual restrictions on payments to the Vanguard Subordinated Creditors including that, except as expressly permitted by the Vanguard Loan Documents

and until the end of the Vanguard Subordination Period, the Vanguard Subordinated Creditors may not receive any payment of the Vanguard Subordinated Debt from the Vanguard Obligors or make demand for all or any of the Vanguard Subordinated Debt.

Notwithstanding the above described restriction on payments the Vanguard Subordinated Creditors are permitted to receive any Vanguard Permitted Distribution or to take action prohibited by the Vanguard Subordination Agreement in the event that the Borrower Facility Agent (acting on the instructions of the Vanguard Majority Lenders) consents in writing.

Representations

Each Vanguard Subordinated Creditor has made or makes, as appropriate, representations and warranties to each Vanguard Finance Party under the Vanguard Subordination Agreement on:

(a) the date of the Vanguard Subordination Agreement;

(b) the Vanguard Utilisation Date;

(c) on the first day of each Loan Interest Period; and

(d) on the date of accession of any person to the Vanguard Subordination Agreement as a new Vanguard Subordinated Creditor, by that new Vanguard Subordinated Creditor only.

The representations and warranties relate to the matters which are normally the subject of representations and warranties in subordination agreements including (a) formation, power and authority; (b) validity and enforceability of the Vanguard Subordination Agreement; and (c) governing law and enforcement.

Undertakings

Each Vanguard Subordinated Creditor undertakes to the Borrower Facility Agent and the Borrower Security Agent that during the Vanguard Subordination Period it shall not, without the consent of the Borrower Facility Agent:

(a) demand or receive payment of, or any distribution in respect or on account of (or by reference to), any Vanguard Subordinated Debt, whether in respect of principal, interest, fees, commission or otherwise and whether in cash or in kind from any source;

(b) allow any Vanguard Subordinated Debt to be discharged other than as expressly provided for in a Vanguard Loan Document and/or by way of an issue of equity instruments permitted pursuant to the Vanguard Loan Agreement;

(c) allow to exist or receive the benefit of any Vanguard Security, guarantee, indemnity or other assurance against loss in respect of any of the Vanguard Subordinated Debt;

(d) allow any Vanguard Subordinated Debt to be evidenced by a negotiable instrument;

(e) other than as expressly provided for in a Vanguard Loan Document, allow any Vanguard Junior Liabilities to be subordinated to any person otherwise than in accordance with the Vanguard Subordination Agreement;

(f) assign, transfer or otherwise dispose of all or any of the Vanguard Subordinated Debt or all or any of the rights which it may have against any Vanguard Obligor in respect of all or any of the Vanguard Subordinated Debt; or

(g) take or omit to take any action which might impair, terminate or adversely affect the priority or subordination achieved or intended to be achieved by the Vanguard Subordination Agreement.

Each Vanguard Obligor undertakes to the Borrower Facility Agent and the Borrower Security Agent that during the Vanguard Subordination Period it shall not, without the consent of the Borrower Facility Agent and with the exception of any Vanguard Permitted Distribution:

(a) pay, prepay or repay, make or receive any distribution in respect of (or by reference to), any Vanguard Subordinated Debt, whether in respect of principal, interest, fees, commission or otherwise and whether in cash or kind from any source;

(b) redeem, purchase or acquire or allow any of its subsidiaries or any other person to redeem, purchase or acquire any of the Vanguard Subordinated Debt;

(c) allow any Vanguard Subordinated Debt to be discharged other than as expressly provided for in a Vanguard Loan Document and/or by way of an issue of equity instruments permitted pursuant to the Vanguard Loan Agreement;

(d) allow to exist or grant any Vanguard Security, guarantee, indemnity or other assurance against loss in respect of any of the Vanguard Subordinated Debt;

(e) allow any Vanguard Subordinated Debt to be evidenced by a negotiable instrument;

(f) allow any Vanguard Subordinated Debt to be subordinated to any person other than in accordance with the Vanguard Subordination Agreement; or

(g) take or omit to take any action which might impair, terminate or adversely affect the priority or subordination achieved or intended to be achieved by the Vanguard Subordination Agreement.

Amendments and Waivers

Without the prior written consent of the Borrower Facility Agent, no amendment, waiver or release is permitted to be made to, or granted in respect of, any Vanguard Subordinated Documents except for an amendment which:

(a) is a procedural, administrative or other similar change; or

(b) does not prejudice any Liability, any Finance Party or impair the subordination achieved or intended to be achieved by the Vanguard Subordination Agreement.

Turnover

If any Vanguard Subordinated Creditor receives:

(a) a payment in cash or in kind or any distribution of, or on account of, or for the purchase or other acquisition of, or otherwise in respect of any of the Vanguard Subordinated Debt from a Vanguard Obligor or any other source other than as permitted under any Vanguard Loan Document;

(b) or recovers any amount by way of set-off in respect of any of the Vanguard Subordinated Debt owed to it which does not give effect to a payment permitted by the Vanguard Subordination Agreement; or

(c) the proceeds of any enforcement of any Vanguard Security or any guarantee or other assurance against financial loss for any Vanguard Subordinated Debt,

that Vanguard Subordinated Creditor must:

(i) in relation to the receipts and recoveries described in paragraphs (a) and (c) above, hold the amount received by it (up to a maximum of an amount equal to the Vanguard Senior Debt) on trust for the Borrower Facility Agent and immediately pay that amount (up to that maximum) to the Borrower Facility Agent for application against the Vanguard Senior Debt in accordance with the Vanguard Loan Agreement; and

(ii) in relation to recoveries described in paragraph (b) above, promptly pay an amount equal to that recovery to the Borrower Facility Agent for application against the Vanguard Senior Debt in accordance with the Vanguard Loan Agreement.

Enforcement Action

Restriction on Enforcement

Each Vanguard Subordinated Creditor undertakes that during the Vanguard Subordination Period, it will not:

(a) accelerate any of the Vanguard Subordinated Debt or otherwise declare any of the Vanguard Subordinated Debt prematurely due and payable;

(b) enforce the Vanguard Subordinated Debt by execution or otherwise;

(c) initiate or support or take any steps with a view to:

(i) any insolvency, liquidation, reorganisation, administration, receivership or dissolution proceedings; or

(ii) any voluntary arrangement or assignment for the benefit of creditors; or

(iii) any similar proceedings,

involving a Vanguard Obligor, whether by petition, convening a meeting, voting for a resolution or otherwise;

(d) bring or support any legal proceedings against a Vanguard Obligor (or any of its subsidiaries); or

(e) otherwise exercise any remedy for the recovery of the Vanguard Subordinated Debt (including without limitation, the exercise of any right of set-off, counterclaim or lien).

Insolvency

The Vanguard Subordinated Creditors agree that if a Vanguard Loan Event of Default is continuing in respect of insolvency proceedings relating to any Vanguard Obligor or on the winding-up, administration, dissolution or any analogous procedure in any jurisdiction with respect to any Vanguard Subordinated Creditor:

(a) the claims of the Vanguard Subordinated Creditors in respect of the Vanguard Subordinated Debt owed by that Vanguard Obligor will be postponed to the Vanguard Senior Debt and no amount will be payable to the Vanguard Subordinated Creditors in respect of the Vanguard Subordinated Debt owed by that Vanguard Obligor nor will any distribution of assets of any kind or character be made to the Vanguard Subordinated Creditors in respect of the Vanguard Subordinated Debt owed by that Vanguard Obligor (whether in cash or in kind); and;

(b) any payment or distribution of assets of that Vanguard Obligor of any kind or character to which any Vanguard Subordinated Creditor would have been entitled but for the provisions of the Vanguard Subordination Agreement described in this section "*Insolvency*" will be paid by any Vanguard Obligor, or other person making such payment or distribution, to the Borrower Facility Agent for application in accordance with the terms of Vanguard Loan Agreement.

Accession

Vanguard Junior Parties

Under the terms of the Vanguard Subordination Agreement, neither the Vanguard Obligors nor the Vanguard Subordinated Creditors may assign or otherwise transfer any of its rights and obligations under the Vanguard Subordination Agreement, any Vanguard Subordinated Document or with respect to any Vanguard Subordinated Debt without the prior written consent of the Borrower Facility Agent.

Finance Parties

Any Finance Party may assign or otherwise dispose of all or any of its rights under the Vanguard Subordination Agreement in accordance with the terms of the Vanguard Loan Documents to which it is a party.

New Vanguard Obligors

If any person:

(a) incurs any Liabilities in relation to the Vanguard Senior Debt; or

(b) gives any Vanguard Security, guarantee, indemnity or other assurance against loss in respect of any of the Liabilities in relation to the Vanguard Senior Debt,

the Vanguard Obligors will procure that the person incurring those liabilities or giving that assurance accedes to the Vanguard Subordination Agreement as a Vanguard Obligor, contemporaneously with the incurrence of those Liabilities or the giving of that assurance.

THE BORROWER ACCOUNTS

A. The Franc Borrower Accounts

In accordance with the terms of the Franc Loan Agreement, (i) the Franc Borrower has established in its name the following interest bearing current accounts: the "**Franc Borrower Rental Income Account**", the "**Franc Borrower Equity Cure Account**", the "**Franc Borrower Prepayment Account**", the "**Franc Borrower Cash Trap Account**", the "**Franc Borrower General Account**" and the "**Franc Borrower Service Charge Account**" (together the "**Franc Borrower Accounts**") (ii) the Franc Original Borrower has established the "**Franc Bidco General Account**" and (iii) Franc Holdco has established the "**Franc Holdco General Account**". "**Franc General Account**" means each of the Franc Borrower General Account, the Franc Bidco General Account and the Franc Holdco General Account. The Franc Borrower also has four existing accounts (the "**Franc Borrower Existing Accounts**") which must be closed within 120 days of the Franc Utilisation Date and are not permitted by the Franc Loan Agreement to become overdrawn.

In addition, the Franc Original Borrower and the Franc Borrower are permitted under the terms of the Franc Loan Agreement to open and maintain jointly with the Franc Vendor, certain escrow accounts which are to be operated in accordance with the terms of the Franc Acquisition Documents.

The (i) Franc Borrower Accounts are expressed to be subject to Italian-law governed first priority security in favour of the Borrower Security Agent and (ii) the Franc Bidco General Account and the Franc Holdco General Account are expressed to be subject to Luxembourg-law governed first priority security in favour of the Borrower Security Agent (together the "**Account Security**").

Each Franc Obligor has sole signing rights in respect of its general account (unless an Franc Loan Event of Default has occurred which has not been remedied or waived), the Franc Borrower has signing rights to the Franc Borrower Service Charge Account (unless a Franc Loan Event of Default has occurred which has not been remedied or waived) and the Borrower Facility Agent has sole signing rights in respect of the Franc Borrower Rental Income Account, the Franc Borrower Prepayment Account, the Franc Borrower Cash Trap Account and the Franc Borrower Equity Cure Account.

The functions of each of the Borrower Accounts, the Franc Holdco General Account and the Franc Bidco General Account are set out below.

Franc Borrower Rental Income Account

The Franc Obligors are required to ensure that the following amounts are paid into the Franc Borrower Rental Income Account:

(a) all Franc Rental Income (other than Franc Service Charge Proceeds, any contributions from a tenant to Franc Registration Taxes and sums representing any Franc VAT chargeable in respect of Franc Rental Income);

(b) all proceeds of any Franc Insurance Policy in respect of operating losses or loss of rent; and

(c) all amounts payable to a Franc Obligor (not otherwise paid directly to the Borrower Facility Agent) under any Franc Hedging Agreement.

Provided that no Franc Loan Event of Default has occurred which has not been remedied or waived, on each Loan Payment Date, the Borrower Facility Agent is required (and is irrevocably authorised by the Franc Borrower) to, withdraw from the Franc Borrower Rental Income Account such amounts as it may determine for application in the following order of priority:

(a) payment into the Franc Borrower Service Charge Account of an amount equal to Franc Irrecoverable Service Charge Expenses then due or projected to be due in the period starting on that Loan Payment Date and ending on the next Loan Payment Date as set out in the most recent Franc Compliance Certificate delivered to the Borrower Facility Agent, provided that the aggregate amount of Franc Irrecoverable Service Charge Expenses that may be paid into the Franc Borrower Service Charge Account in any Franc Financial Year shall not exceed €150,000 (when aggregated with any other amounts withdrawn from the Franc Borrower Rental Income Account in the same Franc Financial Year for application towards Franc

Irrecoverable Service Charge Expenses (excluding amounts withdrawn as described in paragraph (g)(ii) below));

(b) payment into the Franc Borrower General Account of an amount equal to Franc Property Taxes and Franc Rent Collection Fees, in each case, then due or projected to be due in the period starting on that Loan Payment Date and ending on the next Loan Payment Date as set out in the most recent Franc Compliance Certificate delivered to the Borrower Facility Agent;

(c) payment pro rata of any unpaid costs, fees and expenses due to the Borrower Security Agent (including any due to any Franc Borrower Receiver or Franc Borrower Delegate), the Borrower Facility Agent and the Franc Mandated Lead Arranger under the Franc Loan Documents;

(d) payment pro rata of any unpaid costs, fees and expenses due to the lender under the Franc Loan Agreement under the Franc Loan Documents;

(e) in or towards payment pro rata of all accrued interest due and payable to the lender under the Franc Loan Agreement under the Franc Loan Documents;

(f) in or towards payment pro rata to a lender under the Franc Loan Agreement of any principal due but unpaid under the Franc Loan Agreement;

(g) other than on the Franc Loan Maturity Date, an amount up to the lower of:

(i) the balance of the Franc Borrower Rental Income Account after the satisfaction of the items set out in paragraphs (a) to (f) above; and

(ii) the aggregate of:

(A) Franc Irrecoverable Service Charge Expenses in excess of the amount specified in paragraph (a) above;

(B) management fees (other than management fees which are recoverable from Franc Service Charge Proceeds);

(C) Franc Corporate Expenses and Taxes; and

(D) leasing commissions and letting agent costs and tenant improvements (in each case, to the extent contracted on an arm's length basis) and capital expenditure in respect of Franc Capex Projects permitted pursuant to the terms of the Franc Loan Agreement (other than any Franc Recoverable Service Charge Project and any Franc Capex Project required to be undertaken or permitted to be undertaken by a tenant at that tenant's cost under the terms of any Franc Lease),

in each case, then due or projected to be due in the period starting on that Loan Payment Date and ending on the next Loan Payment Date as set out in the most recent Franc Compliance Certificate delivered to the Borrower Facility Agent,

shall be paid into the Franc Borrower General Account provided that the aggregate amount of (aa) Franc Corporate Expenses that may be paid into the Franc Borrower General Account shall not exceed €200,000 and (bb) management fees that may be paid into the Franc Borrower General Account shall not exceed €500,000, in each case, as described in this paragraph (g) in any Franc Financial Year;

(a) if a Franc Cash Trap Event has occurred on that Loan Payment Date, any surplus (each a "**Franc Cash Trap Amount**") shall be paid into the Franc Borrower Cash Trap Account; and

(b) any surplus shall be paid into the Franc Borrower General Account.

No more than once per calendar month and promptly after (and in any event within 3 Business Days of) request of the Franc Borrower, the Borrower Facility Agent shall withdraw from the Franc Borrower Rental Income Account for payment into the Franc Borrower Service Charge Account an amount equal to Franc Irrecoverable Service Charge Expenses in each case then due and payable (as certified by the Franc Borrower) provided that the aggregate amount of Franc Irrecoverable Service Charge Expenses that may

be paid into the Franc Borrower Service Charge Account pursuant to paragraph (a) above and this paragraph shall not exceed €150,000 in any Franc Financial Year.

No more than twice per calendar month and promptly after (and in any event within 3 Business Days of) request of the Franc Borrower, the Borrower Facility Agent shall withdraw from the Franc Borrower Rental Income Account for payment into the Franc Borrower General Account an amount equal to Franc Property Taxes and Franc Rent Collection Fees in each case then due and payable (as certified by Franc Borrower).

If any payment that constitutes Franc Service Charge Proceeds is made into the Franc Borrower Rental Income Account then promptly after (and in any event within 3 Business Days of) request of the Franc Borrower, the Borrower Facility Agent shall withdraw and pay an amount certified by the Franc Borrower as being equal to such Franc Service Charge Proceeds to the Franc Borrower Service Charge Account.

If any payment that constitutes any tenant's contribution to Franc Registration Taxes is made into the Franc Borrower Rental Income Account then promptly after (and in any event within 3 Business Days of) request of the Franc Borrower, the Borrower Facility Agent shall withdraw and pay an amount certified by the Franc Borrower as being equal to such contribution to Franc Registration Taxes to the Franc Borrower General Account.

No more than twice per calendar month and promptly after (and in any event within 3 Business Days of) request of the Franc Borrower, the Borrower Facility Agent shall withdraw from the amounts standing to the credit of the Franc Borrower Rental Income Account for payment into the Franc Borrower General Account such amount as the Franc Borrower certifies to the Borrower Facility Agent:

(a) constitute receipts in respect of rental arrears relating to the period prior to the Franc Closing Date; and

(b) are required under the Franc Acquisition Agreement to be paid to the Franc Vendor in respect of arrears of rent relating to the Franc Property and apportioned to the Franc Vendor pursuant to the Franc Acquisition Agreement,

provided that no withdrawal may be requested as described in this paragraph in respect of an amount required to be paid to the Franc Vendor in respect of arrears of rent to the extent that a withdrawal has already been made in respect of that amount (or the relevant portion of that amount) under this paragraph or in accordance with the provisions of the Franc Loan regarding Franc Existing Accounts.

Franc Borrower Cash Trap Account

Provided that no Franc Loan Event of Default is continuing, if:

(a) on the second Loan Payment Date under the Franc Loan Agreement immediately following payment of a Franc Cash Trap Amount into the Franc Borrower Cash Trap Account as described in "*Franc Borrower Rental Income Account*" above (a "**Second Franc Cash Trap Loan Payment Date**") no Franc Cash Trap Event has occurred (without taking into account any amount standing to the credit of the Franc Borrower Equity Cure Account or the Franc Borrower Cash Trap Account for the purposes of calculating the Franc LTV Ratio and the Franc ICR); and

(b) on the Loan Payment Date immediately preceding that Second Franc Cash Trap Loan Payment Date no Franc Cash Trap Event occurred (without taking into account any amount standing to the credit of the Franc Borrower Equity Cure Account or the Franc Borrower Cash Trap Account for the purposes of calculating the Franc LTV Ratio and Franc ICR),

the Borrower Facility Agent shall (and is irrevocably instructed by each Franc Obligor to) withdraw the relevant Franc Cash Trap Amount from the amounts standing to the credit of the Franc Borrower Cash Trap Account and shall transfer that relevant Franc Cash Trap Amount to the Franc Borrower General Account.

If, on a Second Franc Cash Trap Loan Payment Date, the conditions described above for the release of the Franc Cash Trap Amount paid into the Franc Borrower Cash Trap Account two Loan Payment Dates

immediately prior to that Second Loan Payment Date have not been met, the Borrower Facility Agent shall (and is irrevocably instructed by each Franc Obligor to) withdraw an amount equal to the relevant Franc Cash Trap Amount from the Franc Borrower Cash Trap Account and apply such amounts in prepayment of the Franc Loan together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements for voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the Franc Borrower Cash Trap Account described in this paragraph on the relevant Second Franc Cash Trap Loan Payment Date.

The Franc Borrower may at any time elect that all or part of any amounts standing to the credit of the Franc Borrower Cash Trap Account are applied in prepayment of the Franc Loan together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements for voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the Franc Borrower Cash Trap Account as described in this paragraph on the relevant date of prepayment.

Franc Borrower Prepayment Account

Any Franc Insurance Proceeds (other than Franc Excluded Insurance Proceeds, Franc Excluded Threshold Insurance Proceeds, Franc Insurance Proceeds Expenses and such proceeds paid directly to the Borrower Facility Agent or the Borrower Security Agent), any Franc Property Disposal Proceeds, any Franc Recovery Proceeds received by a Franc Obligor are required to be promptly paid directly into the Franc Borrower Prepayment Account.

Provided that no Franc Loan Event of Default is continuing, on:

(a) each Loan Payment Date the Borrower Facility Agent shall (and is irrevocably authorised by each Franc Obligor to) withdraw from the Franc Borrower Prepayment Account all amounts standing to the credit of the Franc Borrower Prepayment Account; and

(b) on each date a prepayment is proposed to be made by the Franc Borrower as described in "*Prepayment of Franc Recovery Claims, Franc Property Disposal Proceeds and Franc Insurance Proceeds*" above the Borrower Facility Agent shall (and is irrevocably authorised by each Franc Obligor to) withdraw from the Franc Borrower Prepayment Account the amount standing to the credit of the Franc Borrower Prepayment Account specified in the relevant notice,

in each case, for application in the following order:

(i) in prepayment of the Franc Loan together with all other amounts payable as a consequence of the relevant prepayment;

(ii) in payment of any other Franc Secured Liabilities; and

(iii) in payment of any surplus to the Franc Obligors.

Franc Borrower General Account

Each Franc Obligor is required to ensure that

(a) (to the extent they are not paid directly to any third party to whom they are due or otherwise in accordance with the terms of the Franc Loan Agreement)

(i) all Franc Recovery Proceeds Expenses deducted from any Franc Recovery Proceeds received by it;

(ii) all Franc Recovery Proceeds Taxes deducted from any Franc Recovery Proceeds received by it;

(iii) all Franc Insurance Proceeds Expenses deducted from any Franc Insurance Proceeds received by it; and

(iv) all Franc Disposal Costs and Franc Disposal Taxes deducted from any Franc Property Disposal Proceeds received by it;

(b) all amounts withdrawn from the Franc Borrower Rental Income Account in respect of Franc Property Taxes and Franc Rent Collection Fees;

(c) all amounts withdrawn from the Franc Borrower Rental Income Account in respect of Franc Irrecoverable Service Charge Expenses, management fees, Franc Corporate Expenses, Taxes, leasing commissions and letting agent costs and tenant improvements and capital expenditure in respect of Franc Capex Projects permitted pursuant to the terms of the Franc Loan Agreement;

(d) all amounts withdrawn from the Franc Borrower Rental Income Account in respect of Franc Registration Taxes;

(e) all amounts withdrawn from the Franc Borrower Service Charge Account in respect of Franc Registration Taxes;

(f) any contributions from a tenant to Franc Registration Taxes which are not deposited into the Franc Borrower Rental Income Account or the Franc Borrower Service Charge Account; and

(g) (to the extent not paid to the Franc Vendor directly) all amounts required or permitted to be withdrawn from the Franc Borrower Rental Income Account or the Franc Existing Accounts which are required pursuant to the Franc Acquisition Agreement to be paid to the Franc Vendor in respect of arrears of rent relating to the Franc Property and apportioned to the Franc Vendor pursuant to the Franc Acquisition Agreement,

are paid into the relevant Franc Obligor's Franc General Account.

Each Franc Obligor will ensure that any Franc Excluded Insurance Proceeds (other than proceeds of any Franc Insurance Policy in respect of operating losses or loss of rent) or Franc Excluded Recovery Proceeds shall (to the extent they are not paid directly to any third party in settlement of any third party claim or otherwise in accordance with the terms of the Franc Loan Agreement) be paid directly into the relevant Franc Obligor's Franc General Account.

That Franc Obligor may withdraw such amounts from its Franc General Account for application (as applicable):

(a) meet a third party claim (to the extent payment has not been made directly to such third party) to which the relevant insurance proceeds relate;

(b) to satisfy (or reimburse a member of the Franc Group which has discharged) any liability, charge or claim upon a member of the Franc Group by a person which is not a member of the Franc Group to which the relevant proceeds relate; and/or

(c) the replacement, reinstatement and/or repair of assets or property of members of the Franc Group which have been lost, destroyed or damaged and in respect of which the relevant claim was made,

in each case as soon as possible after receipt (but in any event within 12 months after receipt or 24 months of receipt provided that such proceeds are contractually committed to be applied no later than 12 months after receipt).

The Franc Borrower shall not make any distribution from any amount credited into the Franc Borrower General Account from an Franc Existing Account at any time prior to the date falling 120 days after the Franc Utilisation Date.

Any amount paid into a Franc General Account as described above shall be applied by the relevant Franc Obligor in payment of the relevant costs, expenses or liabilities in respect of which such amounts were credited into that Franc General Account.

Any amount any Franc Excluded Insurance Proceeds or Franc Excluded Recovery Proceeds paid into a Franc General Account shall be applied by the relevant Franc Obligor as described above or shall be applied in prepayment of the Franc Loan as described in "*Prepayment of Franc Recovery Claims, Franc Property Disposal Proceeds, Franc Insurance Proceeds*" above.

Subject to the above a Franc Obligor may make withdrawals from its Franc General Account to be applied in or towards any purpose in compliance with the Franc Loan Documents (including, for the avoidance of doubt, for the making of Franc Permitted Distributions).

Franc Borrower Equity Cure Account

Provided that no Franc Loan Event of Default has occurred which has not been remedied or waived, if on a Loan Payment Date the Franc Obligors are in compliance with the Franc LTV Ratio and Franc ICR requirements (without taking into account any amount standing to the credit of the Franc Borrower Equity Cure Account for the purposes of calculating the Franc LTV Ratio and Franc ICR), the Borrower Facility Agent shall (and is irrevocably instructed by each Franc Obligor to) withdraw all amounts standing to the credit of the Franc Borrower Equity Cure Account and transfer such amounts to the Franc Borrower General Account.

If on a Loan Payment Date the Franc Obligors are not in compliance with the Franc LTV Ratio and Franc ICR requirements (without taking into account any amount standing to the credit of the Franc Borrower Equity Cure Account for the purposes of calculating the Franc LTV Ratio and Franc ICR), the Borrower Facility Agent shall (and is irrevocably instructed by each Franc Obligor to) withdraw all amounts standing to the credit of the Franc Borrower Equity Cure Account and apply such amounts in prepayment of the Franc Loan together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements in relation to voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the Franc Borrower Equity Cure Account pursuant to this paragraph on the relevant Loan Payment Date.

The Franc Borrower may at any time elect that all or part of any amounts standing to the credit of the Franc Borrower Equity Cure Account are applied in prepayment of the Franc Loan together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements in respect of voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the Franc Borrower Equity Cure Account pursuant to this paragraph on the relevant date of prepayment.

Except pursuant to the exercise of a Franc Cure Right, no amount may be deposited into the Franc Borrower Equity Cure Account without the prior written consent of the Borrower Facility Agent.

Franc Borrower Service Charge Account

Each Franc Obligor is required to ensure that all Franc Service Charge Proceeds in relation to the Franc Property and all sums representing any Franc VAT chargeable in respect of Franc Rental Income are paid directly into the Franc Borrower Service Charge Account.

Provided that no Franc Loan Event of Default has occurred which has not been remedied or waived, a Franc Obligor may:

(a) make withdrawals from the Franc Borrower Service Charge Account to be applied in or towards payment or discharge of (i) Franc Service Charge Expenses; (ii) Franc Irrecoverable Service Charge Expenses; and/or (iii) Franc VAT payable in respect of Franc Rental Income;

(b) within 60 days of the last day of each Franc Financial Year, withdraw an amount equal to or less than the amount standing to the credit of the Franc Borrower Service Charge Account on the last day of that Franc Financial Year and transfer such amount to the Franc Borrower General Account; and

(c) if any payment that constitutes any tenant's contribution to Franc Registration Taxes is made into the Franc Borrower Service Charge Account, withdraw an amount equal to such contribution and transfer such amount to the Franc Borrower General Account.

Franc Borrower Existing Accounts

The Franc Borrower shall use reasonable endeavours to procure that the Borrower Facility Agent shall have sole signing rights to each Franc Borrower Existing Account.

Each Franc Obligor shall procure that all amounts received into the Franc Borrower Existing Accounts are retained in such Franc Borrower Existing Accounts until such time as they are applied in accordance with paragraphs (c), (d), (e) and (f) below.

Promptly after the date on which a Franc Borrower General Account has been opened by the Franc Borrower, the Relevant Franc Signatory shall (and in the case of the Borrower Facility Agent, is irrevocably authorised by the Franc Borrower to) transfer into that Franc Borrower General Account:

(a) such amount standing to the credit of the Franc Borrower Existing Accounts on that date which:

(i) do not constitute Franc Rental Income; or

(ii) constitutes Franc Rental Income in respect of any period falling prior to the Franc Closing Date; and

(b) promptly upon receipt of any amount into a Franc Borrower Existing Account after such date, such portion of that amount which:

(i) do not constitute Franc Rental Income; or

(ii) constitutes Franc Rental Income in respect of any period falling prior to the Franc Closing Date,

into the Franc Borrower General Account opened by the Franc Borrower provided that the Borrower Facility Agent shall not be obliged to transfer any amount as described in this paragraph (c) unless it has received notification in writing from the Franc Borrower of the amount required to be transferred.

On and from the date on which the Franc Borrower Rental Income Account has been opened, the Relevant Franc Signatory shall (and in the case of the Borrower Facility Agent, is irrevocably authorised by the Franc Borrower to) transfer:

(a) on the date on which the Franc Borrower Rental Income Account is opened, such amounts standing to the credit of the Franc Borrower Existing Accounts on that date which constitute Franc Rental Income in respect of any period falling on or after the Franc Closing Date; and

(b) promptly upon receipt of any amount into a Franc Borrower Existing Account, such portion of that amount which constitutes Franc Rental Income in respect of any period falling on or after the Franc Closing Date,

into the Franc Borrower Rental Income Account provided that the Borrower Facility Agent shall not be obliged to transfer any amount as described in this paragraph (d) unless it has received notification in writing from the Franc Borrower of the amount required to be transferred.

To the extent that the Borrower Facility Agent is the Relevant Franc Signatory, no more than twice per calendar month and promptly after (and in any event within 3 Business Days of) request of the Franc Borrower, the Borrower Facility Agent shall withdraw from the amounts standing to the credit of the Franc Borrower Existing Accounts for payment into the Franc Borrower General Account such amount as the Franc Borrower certifies to the Facility Agent as:

(a) constitute receipts in respect of rental arrears relating to the period prior to the Franc Closing Date; and

(b) are required pursuant to the Franc Acquisition Agreement to be paid to the Franc Vendor in respect of arrears of rent relating to the Franc Property and apportioned to the Franc Vendor pursuant to the Franc Acquisition Agreement,

provided that no withdrawal may be requested to be made as described in this paragraph (e) in respect of an amount required to be paid to the Franc Vendor in respect of arrears of rent to the extent that a withdrawal has already been made from an account in respect of that amount (or the relevant portion of that amount).

To the extent that the Franc Borrower is the Relevant Franc Signatory, the Franc Borrower may withdraw from the amounts standing to the credit of the Franc Borrower Existing Accounts for payment into the Franc Borrower General Account such amount as the Franc Borrower certifies to the Borrower Facility Agent as:

(a) constitute receipts in respect of rental arrears relating to the period prior to the Franc Closing Date; and

(b) are required pursuant to the Franc Acquisition Agreement to be paid to the Franc Vendor in respect of arrears of rent relating to the Franc Property and apportioned to the Franc Vendor pursuant to the Franc Acquisition Agreement,

provided that no withdrawal may be made as described in this paragraph (f) in respect of an amount required to be paid to the Franc Vendor in respect of arrears of rent to the extent that a withdrawal has already been made in respect of that amount (or the relevant portion of that amount).

In this section, "**Relevant Franc Signatory**" means:

(a) if the Borrower Facility Agent has sole signing rights in respect of the Franc Borrower Existing Account into which such amount has been received, the Borrower Facility Agent; or

(b) if the Borrower Facility Agent does not have sole signing rights to the relevant Franc Borrower Existing Account into which such amount has been received, the Franc Borrower.

B. Franc Account Bank

At the time of entry into the Franc Loan Agreement, the Franc Borrower Accounts were opened with ING Bank Italy and the Franc Holdco General Account and the Franc Bidco General Account were opened with ING Luxembourg S.A. The Franc Obligors may (in their sole discretion), subject to the below, transfer any Franc Borrower Account or Franc General Account to any other account bank at any time providing equivalent Franc Loan Security, corporate authorisations and opinions in respect of any such transferred Franc Borrower Account or Franc General Account to the Borrower Facility Agent. The relevant Franc Obligor shall give the Borrower Facility Agent prior notice of any such transfer (and shall provide account details as may be reasonably required by the Borrower Facility Agent). The Borrower Facility Agent is obliged to provide assistance as is required for such transfer in respect of any Franc Borrower Account or Franc General Account on which it has sole signing rights.

Each bank or financial institution with which a Franc Borrower Account or Franc General Account is held must hold a Franc Requisite Rating when the relevant Franc Borrower Account or Franc General Account is opened with it. If any bank or financial institution with which a Franc Borrower Account or Franc General Account is held ceases to have a Franc Requisite Rating, the Borrower Facility Agent may request in writing that any Franc Borrower Account or Franc General Account held with such bank or financial institution is transferred to a new account bank that holds a Franc Requisite Rating. As soon as practicable after receipt of such request (but in any event within thirty (30) days of such receipt) the

relevant Franc Obligor shall, unless the paragraph below applies, transfer (and shall do all other things reasonably necessary to effect such transfer) that Franc Borrower Account or Franc General Account to another account bank which holds a Franc Requisite Rating (and shall provide account details as may be reasonably required by the Borrower Facility Agent). The Borrower Facility Agent shall provide assistance as is required for such transfer in respect of any Franc Borrower Account or Franc General Account on which it has sole signing rights.

If a bank or financial institution with which a Franc Borrower Account or Franc General Account is held ceases to have a Franc Requisite Rating and following receipt of a request from the Borrower Facility Agent to transfer any Franc Borrower Account or Franc General Account to a new account bank that has a Franc Requisite Rating in accordance with the paragraph above it is not possible to find a replacement account bank with a Franc Requisite Rating, the Borrower Facility Agent and Franc Borrower will consult with each other (for a period of no more than five Business Days and both acting reasonably) with a view to agreeing a substitute bank or financial institution that may be used as an account bank. At the end of that period of consultation the Borrower Facility Agent shall specify which alternative bank or financial institution may be used as an account bank.

Each Franc Obligor shall do all such things as the Borrower Facility Agent reasonably requests in order to facilitate any change of account bank (including, without limitation, the execution of bank mandate forms, transfer of balances, issue of revised payment instructions relating to any tenant or guarantor under any Franc Occupational Lease, the delivery of relevant corporate authorisations and legal opinions and the grant and/or perfection of Franc Loan Security over the new accounts).

Withdrawals

If a Franc Loan Event of Default has occurred which has not been remedied or waived or a Franc Loan Event of Default would occur as a result of a withdrawal from a Franc Borrower Account or Franc General Account, no withdrawal may be made by any Franc Obligor from the relevant account, except with the prior written consent of the Borrower Facility Agent or to pay the Franc Secured Liabilities in accordance with the Franc Loan Agreement.

At any time when a Franc Loan Event of Default is continuing and on the Franc Loan Maturity Date, the Borrower Facility Agent may:

(a) operate any Franc Borrower Account or Franc General Account (including the Franc General Accounts and the Franc Borrower Service Charge Account) at its discretion;

(b) notify the relevant Franc Obligor that its rights to operate the Franc General Accounts and the Franc Borrower Service Charge Account are suspended, such notice to take effect in accordance with its terms; and

(c) withdraw from, and apply amounts standing to the credit of, each Franc Borrower Account and Franc General Account in or towards any purpose for which moneys in any Franc Borrower Account or Franc General Account may be applied (including in or towards payment of the Franc Secured Liabilities).

If and for so long as a Franc Loan Event of Default is continuing, the Borrower Facility Agent may give notice to the account bank with which any Franc Borrower Account or Franc General Account is held (a "**Franc Account Bank**") that no amount may be withdrawn from a Franc General Account or the Franc Borrower Service Charge Account without its prior written consent. If a Franc Loan Event of Default is no longer continuing and the Borrower Facility Agent has previously given such notice to the Franc Account Bank, the Borrower Facility Agent shall promptly notify that Franc Account Bank that the prior written consent of the Borrower Facility Agent is no longer required in relation to withdrawal of amounts from the relevant Franc General Account or the Franc Borrower Service Charge Account (as applicable).

This does not limit or affect any the Franc Obligors' obligations to pay the Franc Secured Liabilities or to make voluntary or mandatory payments under the Franc Loan Documents.

Miscellaneous Accounts provisions

Any amount received or recovered by a Franc Obligor otherwise than by credit to a Franc Borrower Account must be held subject to the security created by the Franc Loan Documents and immediately be

paid to the relevant Franc Borrower Account or Franc General Account in the same funds as received or recovered.

If any payment is made into a Franc Borrower Account or Franc General Account in relation to which the Borrower Facility Agent has sole signing rights which should have been paid into another Franc Borrower Account, then, unless a Franc Loan Event of Default has occurred which has not been remedied or waived, the Borrower Facility Agent must, at the request of the Franc Borrower and on receipt of evidence satisfactory to the Borrower Facility Agent that the payment should have been made to that other Franc Borrower Account or Franc General Account, pay that amount to that other Franc Borrower Account or Franc General Account.

No Franc Obligor may, without the prior written consent of the Borrower Facility Agent maintain any bank account other than any Franc Borrower Account and the Franc General Accounts and any account required to be maintained pursuant to a Franc Escrow Agreement.

Each Franc Borrower Account and Franc General Account shall earn interest at such rate(s) as each Franc Obligor may from time to time agree with the relevant account bank.

Each Franc Borrower Account and Franc General Account shall be denominated in euro.

No Franc Borrower Account or Franc General Account may become overdrawn (and the Franc Obligors shall procure that no Franc Borrower Account or Franc General Account shall become overdrawn) and to the extent that any withdrawal (if made in full) would cause a Franc Borrower Account or Franc General Account to become overdrawn, such withdrawal shall be reduced so that it will not result in such Franc Borrowers Account or Franc General Account becoming overdrawn.

Each Franc Obligor may pay to the relevant account bank such reasonable transaction charges and other fees as they may agree with the relevant account bank in relation to the Franc Borrower Accounts and the Franc General Account.

Upon the occurrence of a Franc Loan Event of Default which is continuing, the monies standing to the credit of any Franc, may be applied by the Borrower Facility Agent or, following the enforcement of the Franc Loan Security, the Borrower Security Agent in or towards payment of the Franc Secured Liabilities to the extent due.

Notwithstanding any other provision described in this section, the Borrower Facility Agent shall not be obliged to make any withdrawal from a Franc Borrower Account or Franc General Account if a Franc Loan Event of Default is continuing or would result from such withdrawal.

If a Franc Obligor makes any payment into a Franc Borrower Account or Franc General Account which is not held in its name or for its benefit, a subordinated loan shall arise owed by the relevant Franc Obligor to the Franc Obligor making the payment.

To the extent that any payment is made from a Franc Borrower Account or Franc General Account by or on behalf of any Franc Obligor to or for the benefit of another Franc Obligor, a subordinated loan shall arise owed by that Franc Obligor to the relevant Franc Obligor.

C. The Vanguard Borrower Accounts

In accordance with the terms of the Vanguard Loan Agreement:

(a) Vanguard Pledgeco has established in its name the "**Vanguard Pledgeco General Account**".

(b) Vanguard Bidco has established in its name the following interest bearing current accounts:

(i) the "**Vanguard Bidco Equity Cure Account**";

(ii) the "**Vanguard Bidco Prepayment Account**";

(iii) the "**Vanguard Bidco Cash Trap Account**"; and

(iv) the "**Vanguard Bidco General Account**",

(together, the "**Vanguard Bidco Accounts**");

(c) the Vanguard Italian Bidco has established in its name the following interest bearing current accounts:

(i) the "**Vanguard Italian Bidco Debt Service Reserve Account**"; and

(ii) the " **Vanguard Italian Bidco General Account**",

(together, the " **Vanguard Italian Bidco Accounts**");

(d) La Scaglia has established in its name the following interest bearing current accounts:

(i) the "**La Scaglia Rental Income Account**";

(ii) the "**La Scaglia Service Charge Account**",

(iii) the "**La Scaglia General Account**"; and

(together, the "**La Scaglia Accounts**");

(e) As soon as reasonably practicable following the Vanguard Utilisation Date and in any event by the Vanguard Account Backstop Date, Valdichiana is required by the Vanguard Loan Agreement to establish in its name the following interest bearing current accounts:

(i) the "**Valdichiana Rental Income Account**";

(ii) the "**Valdichiana Service Charge Account**",

(iii) the "**Valdichiana Equity Cure Account**";

(iv) the "**Valdichiana Prepayment Account**";

(v) the "**Valdichiana Cash Trap Account**"

(vi) the "**Valdichiana General Account**"; and

(together, the "**Valdichiana Accounts**"), provided that, following the completion of the Valdichiana Merger, each of the Vanguard Borrowers Rental Income Account, the Vanguard Borrowers Service Charge Account and the Vanguard Borrowers General Account opened by Valdichiana are required to be maintained in the name of Vanguard Italian Bidco.

(f) As soon as reasonably practicable following the Vanguard Utilisation Date and in any event by the Vanguard Account Backstop Date, Brindisi is required by the Vanguard Loan Agreement to establish in its name the following interest bearing current accounts:

(i) the "**Brindisi Rental Income Account**";

(ii) the "**Brindisi General Account**"; and

(iii) the "**Brindisi Service Charge Account**",

(together, the "**Brindisi Accounts**");

(g) As soon as reasonably practicable following the Vanguard Utilisation Date and in any event by the Vanguard Account Backstop Date, Carpi is required by the Vanguard Loan Agreement to establish in its name the following interest bearing current accounts:

(i) the "**Carpi Rental Income Account**";

(ii) the "**Carpi Service Charge Account**"; and

(iii) the "**Carpi General Account**";

(together, the "**Carpi Accounts**", and together with the Brindisi Accounts, the Valdichiana Accounts, the La Scaglia Accounts, the Vanguard Italian Bidco Accounts, the Vanguard Bidco Accounts and the Vanguard Pledgeco General Account, the "**Vanguard Borrowers Accounts**").

In addition, the Vanguard Obligors are permitted under the terms of the Vanguard Loan Agreement to open and maintain jointly with a Vanguard Vendor, certain escrow accounts which are to be operated in accordance with the terms of the Vanguard Acquisition Documents.

The Vanguard Bidco Accounts are expressed to be subject to Luxembourg law first priority security in favour of the Borrower Security Agent, and the Vanguard Italian Bidco Accounts and the La Scaglia Accounts are expressed to be subject to Italian law first priority security in favour of the Borrower Security Agent.

On or before the Vanguard Account Backstop Date, the Valdichiana Accounts, Brindisi Accounts and Carpi Accounts are required pursuant to the Vanguard Loan Agreement to be subject to Italian law first priority security in favour of the Borrower Security Agent.

In this section C:

"**Vanguard Account Backstop Date**" means the date falling 90 days after the Vanguard Utilisation Date or, if later, the first date under applicable law by which the Vanguard Borrowers Existing Accounts are permitted to be closed.

"**Vanguard Borrowers Cash Trap Account**" means each of the Vanguard Bidco Cash Trap Account and the Valdichiana Cash Trap Account, and "**Vanguard Borrowers Cash Trap Accounts**" shall mean all of them.

"**Vanguard Borrowers Equity Cure Account**" means each of the Vanguard Bidco Equity Cure Account and the Valdichiana Equity Cure Account, and "**Vanguard Borrowers Equity Cure Accounts**" shall mean all of them.

"**Vanguard Borrowers Existing Accounts**" means each bank account (other than any escrow account under the Brindisi/Carpi/Valdichiana Acquisition Agreement or any Vanguard Borrowers Account) of a Vanguard Target which is open as at the Vanguard Utilisation Date as set out in the Vanguard Loan Agreement.

"**Vanguard Borrowers General Account**" means each of the Vanguard Pledgeco General Account, the Vanguard Bidco General Account, the Vanguard Italian Bidco General Account, the La Scaglia General Account, the Carpi General Account, the Brindisi General Account and the Valdichiana General Account, and "**Vanguard Borrowers General Accounts**" shall mean all of them.

"**Vanguard Borrowers Prepayment Account**" means each of the Vanguard Bidco Prepayment Account and the Valdichiana Prepayment Account, and "**Vanguard Borrowers Prepayment Accounts**" shall mean all of them.

"**Vanguard Borrowers Rental Income Account**" means each of the La Scaglia Rental Income Account, the Carpi Rental Income Account, the Brindisi Rental Income Account and the Valdichiana Rental Income Account, and "**Vanguard Borrowers Rental Income Accounts**" shall mean all of them.

"**Vanguard Borrowers Service Charge Account**" means each of the La Scaglia Service Charge Account, the Carpi Service Charge Account, the Brindisi Service Charge Account and the Valdichiana Service Charge Account, and "**Vanguard Borrowers Service Charge Accounts**" shall mean all of them.

Each Vanguard Obligor has sole signing rights in respect of its Vanguard Borrowers General Account (unless a Vanguard Loan Event of Default has occurred which has not been remedied or waived), each Vanguard Borrower has signing rights to its Vanguard Borrower Service Charge Account (unless a Vanguard Loan Event of Default has occurred which has not been remedied or waived) and the Borrower Facility Agent has sole signing rights in respect of the Vanguard Borrowers Rental Income Accounts, the Vanguard Borrowers Prepayment Accounts, the Vanguard Borrowers Cash Trap Accounts, the Vanguard Borrowers Equity Cure Accounts and the Vanguard Italian Bidco Debt Service Reserve Account.

The functions of each of the Vanguard Borrowers Accounts are set out below.

Vanguard Borrowers Rental Income Accounts

Each Vanguard Obligor which owns a Vanguard Property is required to ensure that the following amounts are paid into its Vanguard Borrowers Rental Income Account:

(a) all Vanguard Rental Income (other than Vanguard Service Charge Proceeds, any contributions from a tenant to Vanguard Registration Taxes and sums representing any Vanguard VAT chargeable in respect of Vanguard Rental Income);

(b) all proceeds of any Vanguard Insurance Policy in respect of operating losses or loss of rent; and

(c) all amounts payable to it (not otherwise paid directly to the Borrower Facility Agent) under any Vanguard Hedging Agreements.

Each Vanguard Obligor which owns a Vanguard Property will ensure that all:

(a) Vanguard Service Charge Proceeds in relation to its Vanguard Property; and

(b) sums representing any Vanguard VAT chargeable in respect of its Vanguard Rental Income,

shall be paid directly into its Vanguard Borrowers Service Charge Account or its Vanguard Borrowers Rental Income Account.

Provided that no Vanguard Loan Event of Default has occurred which has not been remedied or waived and subject to the retention of the Vanguard Retained Amount for application as described below, on each Loan Payment Date, the Borrower Facility Agent is required (and is irrevocably authorised by each Vanguard Obligor) to withdraw from the Vanguard Borrowers Rental Income Account of each Vanguard Borrower such amounts for application in the following order of priority:

(a) payment into the Vanguard Borrowers Service Charge Account of that Vanguard Borrower of an amount equal to Vanguard Irrecoverable Service Charge Expenses then due or projected to be due in the period starting on that Loan Payment Date and ending on the next Loan Payment Date as set out in the most recent Vanguard Compliance Certificate delivered to the Borrower Facility Agent provided that the aggregate amount of Vanguard Irrecoverable Service Charge Expenses that may be paid into the Vanguard Borrowers Service Charge Accounts in any Vanguard Financial Year shall not exceed €1,250,000 (when aggregated with any other amounts withdrawn from the Vanguard Borrowers Rental Income Account in the same Vanguard Financial Year for application towards Vanguard Irrecoverable Service Charge Expenses (excluding amounts withdrawn as described in paragraph (g)(ii) below));

(b) payment into the Vanguard Borrowers General Account of that Vanguard Borrower of an amount equal to Vanguard Property Taxes, Vanguard Registration Taxes and Vanguard Rent Collection Fees, in each case, then due or projected to be due in the period starting on that Loan Payment Date and ending on the next Loan Payment Date as set out in the most recent Vanguard Compliance Certificate delivered to the Borrower Facility Agent;

(c)

(i) prior to the completion of the Valdichiana Merger:

(A) in relation to the Vanguard Borrowers Rental Income Account of each Vanguard Obligor (other than Valdichiana), payment pro rata of any unpaid costs, fees and expenses due to the Borrower Security Agent (including any due to any Vanguard Borrowers Receiver or Vanguard Borrowers Delegate), the Borrower Facility Agent and the Vanguard Mandated Lead Arranger under the Vanguard Loan Documents other than any amounts due from Valdichiana; and

(B) in relation to the Valdichiana Rental Income Account, payment pro rata of any unpaid costs, fees and expenses due to the Borrower Security Agent (including any due to any Vanguard Borrowers Receiver or Vanguard Borrowers Delegate), the Borrower Facility Agent and the Vanguard Mandated Lead Arranger under the Vanguard Loan Documents from Valdichiana; or

(ii) on and from the completion of the Valdichiana Merger, payment pro rata of any unpaid costs, fees and expenses due to the Borrower Security Agent (including any due to any Vanguard Borrower Receiver or Vanguard Borrower Delegate), the Borrower Facility Agent and the Vanguard Mandated Lead Arranger under the Vanguard Loan Documents;

(d)

(i) prior to the completion of the Valdichiana Merger:

(A) in relation to the Vanguard Borrowers Rental Income Account of each Vanguard Obligor (other than Valdichiana), payment pro rata of any unpaid costs, fees and expenses due to the lenders under the Vanguard Loan Agreement under the Vanguard Loan Documents other than any amounts due from Valdichiana; and

(B) in relation to the Valdichiana Rental Income Account, payment pro rata of any unpaid costs, fees and expenses due to the lenders under the Vanguard Loan Agreement under the Vanguard Loan Documents from Valdichiana; or

(ii) on and from the completion of the Valdichiana Merger, payment pro rata of any unpaid costs, fees and expenses due to the lenders under the Vanguard Loan Agreement under the Vanguard Loan Documents;

(e)

(i) prior to the completion of the Valdichiana Merger:

(A) in relation to the Vanguard Borrowers Rental Income Account of each Vanguard Obligor (other than Valdichiana), in or towards payment pro rata of all accrued interest due and payable to the lenders under the Vanguard Loan Agreement under the Vanguard Loan Documents other than any amounts due from Valdichiana; and

(B) in relation to the Valdichiana Rental Income Account, in or towards payment pro rata of all accrued interest due and payable under the Vanguard Loan Documents from Valdichiana to the lenders under the Vanguard Loan Agreement; or

(ii) on and from the completion of the Valdichiana Merger, in or towards payment pro rata of all accrued interest due and payable under the Vanguard Loan Documents to the lenders under the Vanguard Loan Agreement;

(f)

(i) prior to the completion of the Valdichiana Merger:

(A) in relation to the Vanguard Borrowers Rental Income Account of each Vanguard Obligor (other than Valdichiana), in or towards payment pro rata to the lenders under the Vanguard Loan Agreement of any principal due but unpaid under the Vanguard Loan Agreement other than any amounts due from Valdichiana; and

(B) in relation to the Valdichiana Rental Income Account, in or towards payment pro rata to the lenders under the Vanguard Loan Agreement of any principal due but unpaid under the Vanguard Loan Agreement from Valdichiana; or

(ii) on and from the completion of the Valdichiana Merger, in or towards payment pro rata to the lenders under the Vanguard Loan Agreement of any principal due but unpaid under the Vanguard Loan Agreement;

(g) other than on the Vanguard Loan Maturity Date, an amount up to the lower of:

(i) the balance of each Vanguard Borrowers Rental Income Account after the satisfaction of the items set out in paragraphs (a) to (f) above; and

(ii) the aggregate of:

(A) Vanguard Irrecoverable Service Charge Expenses in excess of the amount specified in paragraph (a) above;

(B) management fees (other than management fees which are recoverable from Vanguard Service Charge Proceeds);

(C) Vanguard Corporate Expenses and Taxes; and

(D) leasing commissions and letting agent costs and tenant improvements (in each case, to the extent contracted on an arm's length basis) and capital expenditure in respect of Vanguard Capex Projects permitted pursuant to the terms of the Vanguard Loan Agreement (other than any Vanguard Recoverable Service Charge Project and any Vanguard Capex Project required to be undertaken or permitted to be undertaken by a tenant at that tenant's cost under the terms of any Vanguard Lease),

in each case, then due or projected to be due in the period starting on that Loan Payment Date and ending on the next Loan Payment Date as set out in the most recent Vanguard Compliance Certificate delivered to the Borrower Facility Agent shall be paid into the Vanguard Borrowers General Accounts of the relevant Vanguard Borrowers to which such amounts relate provided that the aggregate amount of Vanguard Corporate Expenses and management fees that may be paid into the Vanguard Borrowers General Accounts in aggregate as described in this sub-paragraph shall not exceed €1,400,000, in any Vanguard Financial Year;

(h) prior to the completion of the Valdichiana Merger, in the case of the Valdichiana Rental Income Account, an amount to be retained in the Valdichiana Rental Income Account up to the aggregate (when aggregated with all other amounts retained as described in this paragraph (h) in respect of the same Loan Payment Dates referred to below in this paragraph (h)) of the amounts due and payable by Vanguard Italian Bidco under the Vanguard Loan Documents in respect of interest (assuming for this purpose that Loan EURIBOR is equal to the strike rate under the Vanguard Hedging Agreements entered into by Vanguard Italian Bidco) and principal on the four Loan Payment Dates commencing on the immediately following Loan Payment Date falling in May;

(i) if a Vanguard Cash Trap Event has occurred on that Loan Payment Date, any surplus (each a "**Vanguard Cash Trap Amount**") shall be paid into:

(i) (prior to the completion of the Valdichiana Merger) in the case of a surplus on the Valdichiana Rental Income Account, the Valdichiana Cash Trap Account; and

(ii) in the case of a surplus on the Vanguard Borrowers Rental Income Account of any other Vanguard Obligor (other than, prior to the completion of the Valdichiana Merger, Valdichiana), the Vanguard Bidco Cash Trap Account;

(j) any surplus shall be paid into the Vanguard Borrowers General Account of the Vanguard Borrower from whose Vanguard Borrowers Rental Income Account such withdrawal is made.

No more than once per calendar month and promptly after (and in any event within 3 Business Days of) request of Vanguard Bidco, the Borrower Facility Agent shall (and is irrevocably authorised by each Vanguard Obligor to) withdraw from a Vanguard Obligor's Vanguard Borrowers Rental Income Account for payment into that Vanguard Obligor's Vanguard Borrowers Service Charge Account an amount equal to Vanguard Irrecoverable Service Charge Expenses in each case then due and payable (as certified by the Vanguard Pledgeco) provided that the aggregate amount of Vanguard Irrecoverable Service Charge Expenses that may be paid into a Vanguard Borrowers Service Charge Account as described in paragraph (a) above and in this paragraph shall not exceed €1,250,000 in any Vanguard Financial Year.

No more than twice per calendar month and promptly after (and in any event within 3 Business Days of) request of Vanguard Pledgeco, the Borrower Facility Agent shall (and is irrevocably authorised by each Vanguard Obligor to) withdraw from a Vanguard Obligor's Vanguard Borrowers Rental Income Account for payment into that Vanguard Obligor's Vanguard Borrowers General Account an amount equal to Vanguard Property Taxes, Vanguard Registration Taxes and Vanguard Rent Collection Fees in each case then due and payable (as certified by Vanguard Pledgeco).

If any payment that constitutes Vanguard Service Charge Proceeds is made into a Vanguard Borrowers Rental Income Account then promptly after (and in any event within 3 Business Days of) request of Vanguard Bidco, the Borrower Facility Agent shall (and is irrevocably authorised by each Vanguard Obligor to) withdraw and pay an amount certified by Vanguard Bidco as being equal to such Vanguard Service Charge Proceeds to the relevant Vanguard Borrowers Service Charge Account.

If any payment that constitutes any tenant's contribution to Vanguard Registration Taxes is made into a Vanguard Borrowers Rental Income Account then promptly after (and in any event within 3 Business Days of) request of Vanguard Bidco, the Borrower Facility Agent shall withdraw and pay an amount certified by Vanguard Bidco as being equal to such contribution to Vanguard Registration Taxes to the relevant Vanguard Borrowers General Account.

No more than twice per calendar month and promptly after (and in any event within 3 Business Days of) request of Vanguard Bidco, the Borrower Facility Agent shall (and is irrevocably authorised by each Vanguard Obligor to) withdraw from the amounts standing to the credit of a Vanguard Borrowers Rental Income Account for payment into the relevant Vanguard Borrowers General Account such amount as Vanguard Bidco certifies to the Borrower Facility Agent either:

(a)

(i) constitute receivables of La Scaglia existing as of the Closing Date (as defined in the La Scaglia Acquisition Agreement) and indicated in the La Scaglia Acquisition Agreement; and

(ii) are required pursuant to the La Scaglia Acquisition Agreement to be paid to a Vanguard Vendor pursuant to the La Scaglia Acquisition Agreement; or

(b)

(i) constitute receipts in respect of rental arrears relating to the period prior to the Vanguard Closing Date; and

(ii) are required pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement to be paid to the Brindisi/Carpi/Valdichiana Vendor in respect of arrears of rent relating to the Vanguard Properties and apportioned to the Brindisi/Carpi/Valdichiana Vendor pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement,

provided that no withdrawal may be requested as described in this paragraph in respect of an amount required to be paid to a Vanguard Vendor to the extent that a withdrawal has already been made in respect of that amount (or the relevant portion of that amount) under this paragraph or in accordance with the provisions of the Vanguard Loan Agreement regarding Vanguard Borrowers Existing Accounts.

Provided that no Vanguard Loan Event of Default is continuing, the Borrower Facility Agent shall not withdraw the Vanguard Retained Amount from the Valdichiana Rental Income Account other than in accordance with paragraph (a) below.

(a) promptly following receipt by the Borrower Facility Agent of notice in writing from a Vanguard Obligor in accordance with the Vanguard Loan Agreement (as described in "*Vanguard Distribution Undertakings*" above) in connection with a resolution to make a distribution in relation to a Vanguard Financial Year (the "**Vanguard Relevant Financial Year**"), the Borrower Facility Agent shall:

(i) from time to time withdraw from the amounts standing to the credit of the Valdichiana Rental Income Account which constitute Vanguard Retained Amounts an amount which it determines is equal to the lower of:

(A) the amount resolved to be distributed in respect of the Vanguard Relevant Financial Year, as notified to the Borrower Facility Agent in accordance with the Vanguard Loan Agreement;

(B) such Vanguard Retained Amounts; and

(C) the aggregate of the amounts due and payable by Vanguard Italian Bidco under the Vanguard Loan Documents in respect of interest (assuming for this purpose that Loan EURIBOR is equal to the strike rate under the Vanguard Hedging Agreement entered into by Vanguard Italian Bidco) and principal on the four Loan Payment Dates commencing on the Loan Payment Date falling in May immediately after the end of the Vanguard Relevant Financial Year (the "**Vanguard Debt Service Required Amount**"),

and shall credit such amount to the Vanguard Italian Bidco Debt Service Reserve Account;

(ii) provided that no Vanguard Loan Event of Default or Vanguard Cash Trap Event is continuing, solely to the extent that the amount referred to in paragraph (i)(C) above has been credited to the Vanguard Italian Bidco Debt Service Reserve Account in accordance with paragraph (i) above following the end of a Vanguard Relevant Financial Year and there remain surplus Vanguard Retained Amounts standing to the credit of the Valdichiana Rental Income Account which were retained on or before Loan Payment Date falling in February immediately after the end of the Vanguard Relevant Financial Year, the Borrower Facility Agent shall withdraw such amounts and shall credit them to the Valdichiana General Account;

(b) In this section:

"**Vanguard Retained Amount**" means, at any time, the aggregate of the amounts retained in the Valdichiana Rental Income Account in accordance with the Vanguard Loan Agreement (as described in paragraph (h) above) at that time, to the extent not withdrawn from the Vadichiana Rental Income Account in accordance with the Vanguard Loan Agreement (as described in paragraph (a) above).

Vanguard Borrowers Cash Trap Accounts

Provided that no Vanguard Loan Event of Default is continuing, if:

(a) on the second Loan Payment Date under the Vanguard Loan Agreement immediately following payment of the Vanguard Cash Trap Amount into a Vanguard Borrowers Cash Trap Account as described in "*Franc Borrower Rental Income Account*" above (a "**Second Vanguard Cash Trap Loan Payment Date**") no Vanguard Cash Trap Event has occurred (without taking into account any amount standing to the credit of the Vanguard Borrowers Equity Cure Accounts or the Vanguard Borrowers Cash Trap Accounts for the purposes of calculating the Vanguard LTV Ratio and the Vanguard ICR); and

(b) on the Loan Payment Date immediately preceding that Second Vanguard Cash Trap Loan Payment Date no Vanguard Cash Trap Event occurred (without taking into account any amount standing to the credit of the Vanguard Borrowers Equity Cure Accounts or the Vanguard Borrowers Cash Trap Accounts for the purposes of calculating the Vanguard LTV Ratio and Vanguard ICR), the Borrower Facility Agent shall (and is irrevocably instructed by each Vanguard Obligor to) withdraw the relevant Vanguard Cash Trap Amount from the amounts standing to the credit of the relevant Vanguard Borrowers Cash Trap Account and shall transfer that relevant Vanguard Cash Trap Amount to the relevant Vanguard Borrowers General Account.

If, on a Second Vanguard Cash Trap Loan Payment Date, the conditions described above for the release of the Vanguard Cash Trap Amount paid into a Vanguard Borrowers Cash Trap Account two Loan Payment Dates immediately prior to that Second Vanguard Cash Trap Loan Payment Date have not been met, the Borrower Facility Agent shall (and is irrevocably instructed by each Vanguard Obligor to) withdraw an amount equal to the relevant Vanguard Cash Trap Amount from the Vanguard Borrowers Cash Trap Accounts and apply such amounts in prepayment of the Vanguard Loans together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements for voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the Vanguard Borrowers Cash Trap Accounts pursuant to this paragraph on the relevant Second Vanguard Cash Trap Loan Payment Date.

The Vanguard Bidco may at any time elect that all or part of any amounts standing to the credit of the Vanguard Borrowers Cash Trap Accounts are applied in prepayment of the Vanguard Loans together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements for voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the Vanguard Borrowers Cash Trap Accounts pursuant to this paragraph on the relevant date of prepayment.

Promptly following receipt by the Borrower Facility Agent of notice in writing from a Vanguard Obligor in connection with a resolution to make a distribution in relation to a Vanguard Financial Year (the "**Vanguard Relevant Financial Year**"), to the extent that the Vanguard Debt Service Required Amount has not been credited to the Vanguard Italian Bidco Debt Service Reserve Account following the end of a Vanguard Relevant Financial Year, the Borrower Facility Agent shall withdraw from the amounts standing to the credit of the Valdichiana Cash Trap Account an amount which it determines is equal to the lower of:

(a) the amount resolved to be distributed in respect of the Vanguard Relevant Financial Year, as notified to the Borrower Facility Agent minus the amounts credited to the Vanguard Italian Bidco Debt Service Reserve Account as described in "*Vanguard Borrowers Rental Income Accounts*" above; and

(b) the aggregate of the amounts due and payable by Vanguard Italian Bidco under the Vanguard Loan Documents in respect of interest (assuming for this purpose that EURIBOR is equal to the strike rate under the Vanguard Hedging Agreements entered into by Vanguard Italian Bidco) and principal on the four Loan Payment Dates commencing on the Loan Payment Date falling in May immediately after the end of the Vanguard Relevant Financial Year minus the amounts credited to the Vanguard Italian Bidco Debt Service Reserve Account,

and shall credit such amount to the Vanguard Italian Bidco Debt Service Reserve Account.

Vanguard Borrowers Prepayment Accounts

Each Vanguard Obligor (other than, prior to the completion of the Valdichiana Merger, Valdichiana) is required to ensure that any Vanguard Insurance Proceeds received by it (other than Vanguard Excluded Insurance Proceeds, Vanguard Excluded Threshold Insurance Proceeds and such proceeds paid directly to the Borrower Facility Agent or the Borrower Security Agent), any Vanguard Permitted Property Disposal Prepayment Proceeds in respect of any Vanguard Permitted Property Disposal made by it, any Vanguard Property Disposal Proceeds (other than in relation to any Vanguard Permitted Property Disposal made by it), any Vanguard Recovery Proceeds received by it are promptly paid directly into the Vanguard Bidco Prepayment Account.

Prior to the completion of the Valdichiana Merger, Valdichiana is required to ensure that any Vanguard Insurance Proceeds received by it (other than Vanguard Excluded Insurance Proceeds, Vanguard Excluded Threshold Insurance Proceeds and such proceeds paid directly to the Borrower Facility Agent

or the Borrower Security Agent), any Vanguard Permitted Property Disposal Prepayment Proceeds in respect of the Vanguard Permitted Property Disposal made by it and any Vanguard Recovery Proceeds received by it, are promptly paid directly into the Valdichiana Prepayment Account.

Provided that no Vanguard Loan Event of Default is continuing, on:

(a) each Loan Payment Date the Borrower Facility Agent shall (and is irrevocably authorised by each Vanguard Obligor to) withdraw from the Vanguard Borrowers Prepayment Accounts all amounts standing to the credit of the Vanguard Borrowers Prepayment Accounts; and

(b) on each date a prepayment is proposed to be made by the Vanguard Bidco as described in "*Prepayment of Vanguard Recovery Claims, Vanguard Permitted Property Disposal Prepayment Proceeds, Vanguard Property Disposal Proceeds and Vanguard Insurance Proceeds*" above the Borrower Facility Agent shall (and is irrevocably authorised by each Vanguard Obligor to) withdraw from the Vanguard Borrowers Prepayment Accounts the amounts standing to the credit of the Vanguard Borrowers Prepayment Accounts specified in the relevant notice,

in each case, for application in the following order:

(i) in prepayment of the Vanguard Loans, together with all other amounts payable as a consequence of the relevant prepayment;

(ii) in payment of any other Vanguard Secured Liabilities; and

(iii) in payment of any surplus to the Vanguard Obligors.

Vanguard Italian Bidco Debt Service Reserve Account

Each of Valdichiana and Vanguard Italian Bidco shall ensure that any amounts distributed to Vanguard Italian Bidco and required to be paid into the Vanguard Italian Bidco Debt Service Reserve Account in accordance with the Vanguard Loan Agreement are paid into the Vanguard Italian Bidco Debt Service Reserve Account.

Vanguard Italian Bidco shall ensure that on the Vanguard Utilisation Date an amount equal to the Vanguard Initial Debt Service Deposit Amount is deposited in the Vanguard Italian Bidco Debt Service Reserve Account.

If, by the date falling 6 months after the Vanguard Utilisation Date (the "**Non-Merger Trigger Date**"), the Valdichiana Merger has not been completed, Vanguard Italian Bidco must, on the Non-Merger Trigger Date, ensure that an amount equal to the Vanguard Facility D February 2015 Debt Service Amount is deposited in the Vanguard Italian Bidco Debt Service Reserve Account.

On each Loan Payment Date falling prior to the date on which the Valdichiana Merger is completed, to the extent that any amounts remain due and payable by Vanguard Italian Bidco after the application of the amounts standing to the credit of the Vanguard Borrowers Rental Income Accounts on that Loan Payment Date (the "**Vanguard Debt Service Shortfall**"), the Borrower Facility Agent shall withdraw from the funds standing to the credit of the Vanguard Italian Bidco Debt Service Reserve Account an amount equal to the such Vanguard Debt Service Shortfall for application in or towards:

(a) in or towards payment pro rata of all accrued interest due and payable to the lenders under the Vanguard Loan Agreement under the Vanguard Loan Documents in relation to the Vanguard Loan made to Vanguard Italian Bidco; and

(b) in or towards payment pro rata to the lenders under the Vanguard Loan Agreement of any principal in relation to the Vanguard Loan made to Vanguard Italian Bidco due but unpaid under the Vanguard Loan Agreement.

Provided that no Vanguard Loan Event of Default is continuing, if the Valdichiana Merger occurs on or before 15 February 2015, the Borrower Facility Agent shall (and is irrevocably authorised by each Vanguard Obligor to), promptly after (and in any event within 3 Business Days of) request by Vanguard Bidco, withdraw from the Vanguard Italian Bidco Debt Service Reserve Account all amounts standing to

the credit of the Vanguard Italian Bidco Debt Service Reserve Account and shall pay such amounts into the Vanguard Italian Bidco General Account.

Vanguard Borrowers General Accounts

Each Vanguard Obligor is required to ensure that:

(a) (to the extent that they are not paid directly to any third party to whom they are due or otherwise in accordance with the terms of the Vanguard Loan Agreement):

(i) all Vanguard Recovery Proceeds Expenses deducted from any Vanguard Recovery Proceeds received by it;

(ii) all Vanguard Recovery Proceeds Taxes deducted from any Vanguard Recovery Proceeds received by it;

(iii) all Vanguard Insurance Proceeds Expenses deducted from any Vanguard Insurance Proceeds received by it;

(iv) all Vanguard Disposal Costs and Vanguard Disposal Taxes deducted from any Vanguard Property Disposal Proceeds received by it;

(b) all amounts withdrawn from a Vanguard Borrowers Rental Income Account in respect of Vanguard Registration Taxes, Vanguard Property Taxes and Vanguard Rent Collection Fees;

(c) all amounts withdrawn from a Vanguard Borrowers Rental Income Account in respect of Vanguard Irrecoverable Service Charge Expenses, management fees, Vanguard Corporate Expenses, Taxes, leasing commissions and letting agent costs and tenant improvements and capital expenditure in respect of Vanguard Capex Projects permitted pursuant to the terms of the Vanguard Loan Agreement;

(d) all amounts withdrawn from a Vanguard Borrowers Rental Income Account in respect of Vanguard Registration Taxes;

(e) all amounts withdrawn from a Vanguard Borrowers Service Charge Account in respect of Vanguard Registration Taxes;

(f) any contributions from a tenant to Vanguard Registration Taxes which are not deposited into a Vanguard Borrowers Rental Income Account or a Vanguard Borrowers Service Charge Account; and

(g) (to the extent not paid to a Vanguard Vendor directly) all amounts required or permitted to be withdrawn from a Vanguard Borrowers Rental Income Account or a Vanguard Borrowers Existing Account which are required:

(i) the La Scaglia Acquisition Agreement of La Scaglia existing as of the Closing Date (as defined in the La Scaglia Acquisition Agreement) and indicated in the La Scaglia Acquisition Agreement to be paid to a Vanguard Vendor pursuant to the La Scaglia Acquisition Agreement; or

(ii) the Brindisi/Carpi/ Valdichiana Acquisition Agreement to be paid to a Vanguard Vendor in respect of arrears of rent relating to the Vanguard Properties and apportioned to that Vanguard Vendor pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement,

are paid into the relevant Vanguard Obligor's Vanguard Borrowers General Account.

Each Vanguard Obligor will ensure that any Vanguard Excluded Insurance Proceeds (other than proceeds of any Vanguard Insurance Policy in respect of operating losses or loss of rent) or Vanguard Excluded Recovery Proceeds shall (to the extent they are not paid directly to any third party in settlement of any third party claim or otherwise in accordance with the terms of the Vanguard Loan Agreement) be paid directly into its Vanguard Borrowers General Account. That Vanguard Obligor may withdraw such amounts from its Vanguard Borrowers General Account for application (as applicable):

(a) to meet a third party claim (to the extent payment has not been made directly to such third party) to which the relevant insurance proceeds relate;

(b) to satisfy (or reimburse a member of the Vanguard Group which has discharged) any liability, charge or claim upon a member of the Vanguard Group by a person which is not a member of the Vanguard Group to which the relevant proceeds relate; and/or

(c) the replacement, reinstatement and/or repair of assets or property of members of the Vanguard Group which have been lost, destroyed or damaged and in respect of which the relevant claim was made,

in each case as soon as possible after receipt (but in any event within 12 months after receipt or 24 months of receipt provided that such proceeds are contractually committed to be applied no later than 12 months after receipt).

(a) No Vanguard Borrower shall make any distribution from any amount credited into its Vanguard Borrowers General Account from a Vanguard Borrowers Existing Account at any time prior to the date falling 120 days after the Vanguard Utilisation Date.

(b) Any amount paid into a Vanguard Borrowers General Account as described above shall be applied by the relevant Vanguard Obligor in payment of the relevant costs, expenses or liabilities in respect of which such amounts were credited into that Vanguard Borrowers General Account.

(c) Any Vanguard Excluded Insurance Proceeds or Vanguard Excluded Recovery Proceeds paid into a Vanguard Borrowers General Account shall be applied by the relevant Vanguard Obligor as described above or shall be applied in prepayment of the Vanguard Loan as described in "*Prepayment of Vanguard Recovery Claims, Vanguard Permitted Property Disposal Prepayment Proceeds, Vanguard Property Disposal Proceeds and Vanguard Insurance Proceeds* " above.

(d) Subject to the above a Vanguard Obligor may make withdrawals from its Vanguard Borrowers General Account to be applied in or towards any purpose in compliance with the Vanguard Loan Documents (including, for the avoidance of doubt, for the making of Vanguard Permitted Distributions).

Vanguard Borrowers Equity Cure Accounts

Provided that no Vanguard Loan Event of Default has occurred which has not been remedied or waived, if on a Loan Payment Date the Vanguard Obligors are in compliance with the Vanguard LTV Ratio and Vanguard ICR requirements (without taking into account any amount standing to the credit of the Vanguard Borrowers Equity Cure Accounts for the purposes of calculating the Vanguard LTV Ratio and Vanguard ICR), the Borrower Facility Agent shall (and is irrevocably instructed by each Vanguard Obligor to) withdraw all amounts standing to the credit of the Vanguard Borrowers Equity Cure Accounts and transfer such amounts to the relevant Vanguard Borrowers General Account.

If on a Loan Payment Date the Vanguard Obligors are not in compliance with the Vanguard LTV Ratio and Vanguard ICR requirements (without taking into account any amount standing to the credit of the Vanguard Borrowers Equity Cure Accounts for the purposes of calculating the Vanguard LTV Ratio and Vanguard ICR), the Borrower Facility Agent shall (and is irrevocably instructed by each Vanguard Obligor to) withdraw all amounts standing to the credit of the Vanguard Borrowers Equity Cure Accounts and apply such amounts in prepayment of the Vanguard Loan together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements in relation to voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the relevant Vanguard Borrowers Equity Cure Account pursuant to this paragraph on the relevant Loan Payment Date.

The Vanguard Bidco may at any time elect that all or part of any amounts standing to the credit of the Vanguard Borrowers Equity Cure Accounts are applied in prepayment of the Vanguard Loans together with the payment of all amounts payable in connection with such prepayment provided that:

(a) for the purposes of any such prepayment the minimum prepayment amount and notice requirements in respect of voluntary prepayment shall not apply; and

(b) all amounts payable in connection with such prepayment shall be payable from and deducted from the amount withdrawn from the Vanguard Borrowers Equity Cure Accounts pursuant to this paragraph on the relevant date of prepayment.

Except pursuant to the exercise of a Vanguard Cure Right, no amount may be deposited into a Vanguard Borrowers Equity Cure Account without the prior written consent of the Borrower Facility Agent.

Vanguard Borrowers Service Charge Accounts

Each Vanguard Borrower which owns a Vanguard Property is required to ensure that all Vanguard Service Charge Proceeds in relation to its Vanguard Properties and all sums representing any Vanguard VAT chargeable in respect of Vanguard Rental Income are paid directly into its Vanguard Borrowers Service Charge Account or its Vanguard Borrowers Rental Income Account.

Provided that no Vanguard Loan Event of Default has occurred which has not been remedied or waived, a Vanguard Obligor may:

(a) make withdrawals from its Vanguard Borrowers Service Charge Account to be applied in or towards payment or discharge of: (i) amounts to be paid to any consortia or owners in respect of the "*common areas*" which include any part of the Vanguard Property; (ii) Vanguard Service Charge Expenses; (iii) Vanguard Irrecoverable Service Charge Expenses; and/or (iv) VAT payable in respect of Vanguard Rental Income;

(b) within 60 days of the last day of each Vanguard Financial Year, withdraw:

(i) an amount equal to or less than the amount standing to the credit of its Vanguard Borrowers Service Charge Account on the last day of that Vanguard Financial Year;

less

(ii) the amount of any Vanguard Service Charge Expenses which are due at that time or which are expected to become due before the next date on which the Vanguard Obligors shall receive sufficient Vanguard Rental Income to fund the payment of such Vanguard Service Charge Expenses,

and transfer such amount to the relevant Vanguard Borrowers General Account; and

(c) if any payment that constitutes any tenant's contribution to Vanguard Registration Taxes is made into its Vanguard Borrowers Service Charge Account, withdraw an amount equal to such contribution and transfer such amount to the Vanguard Borrowers General Account.

Vanguard Borrowers Existing Accounts

(a) Vanguard Bidco shall procure that the Borrower Facility Agent shall have sole signing rights to each Vanguard Borrowers Existing Account which constitutes an account into which Vanguard Rental Income (other than Vanguard Service Charge Proceeds) is received.

(b) Each Vanguard Obligor shall procure that all amounts received into the Vanguard Borrowers Existing Accounts are retained in such Vanguard Borrowers Existing Accounts until such time as they are applied as described in paragraphs (c), (d), (e) and (f) below.

(c) Promptly after the date on which a Vanguard Borrowers General Account has been opened by a Vanguard Obligor, the Relevant Vanguard Signatory shall (and in the case of the Borrower Facility Agent, is irrevocably authorised by the relevant Vanguard Obligor to) transfer into that Vanguard Borrowers General Account:

(i) such amount standing to the credit of the Vanguard Obligor's Borrowers Existing Accounts on that date which:

(A) do not constitute Vanguard Rental Income; or

(B) constitutes Vanguard Rental Income in respect of any period falling prior to the Vanguard Closing Date; and

(ii) promptly upon receipt of any amount into a Vanguard Borrowers Existing Account after such date, such portion of that amount which:

(A) do not constitute Vanguard Rental Income; or

(B) constitutes Vanguard Rental Income in respect of any period falling prior to the Vanguard Closing Date,

into the Vanguard Borrowers General Account opened by the relevant Vanguard Obligor **provided that** the Borrower Facility Agent shall not be obliged to transfer any amount as described in this paragraph (c) unless it has received notification in writing from Vanguard Pledgco of the amount required to be transferred.

(d) On and from the date on which a Vanguard Borrowers Rental Income Account has been opened, the Relevant Vanguard Signatory shall (and in the case of the Borrower Facility Agent, is irrevocably authorised by the relevant Vanguard Additional Borrower to) transfer:

(i) on the date on which the Vanguard Borrowers Rental Income Account is opened, such amounts standing to the credit of the relevant Vanguard Obligor's Vanguard Borrowers Existing Accounts on that date which constitute Vanguard Rental Income in respect of any period falling on or after the Vanguard Closing Date; and

(ii) promptly upon receipt of any amount into a Vanguard Borrowers Existing Account, such portion of that amount which constitutes Vanguard Rental Income in respect of any period falling on or after the Vanguard Closing Date,

into the relevant Vanguard Borrowers Rental Income Account **provided that** the Borrowers Facility Agent shall not be obliged to transfer any amount as described in this paragraph (d) unless it has received notification in writing from Vanguard Bidco of the amount required to be transferred.

(e) To the extent that the Borrower Facility Agent is the Relevant Vanguard Signatory, no more than twice per calendar month and promptly after (and in any event within 3 Business Days of) request of Vanguard Bidco, the Borrower Facility Agent shall withdraw from the amounts standing to the credit of the Vanguard Borrowers Existing Accounts for payment into the Vanguard Borrowers General Accounts such amount as Vanguard Bidco certifies to the Borrower Facility Agent as:

(i)

(A) constitute receivables of La Scaglia existing as of the Closing Date (as defined in the La Scaglia Acquisition Agreement) and indicated in the La Scaglia Acquisition Agreement; and

(B) are required pursuant to the La Scaglia Acquisition Agreement to be paid to a Vanguard Vendor pursuant to the relevant Vanguard Acquisition Agreement; or

(ii)

(A) constitute receipts of rental arrears relating to the period prior to the Vanguard Closing Date; and

(B) are required pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement to be paid to the Brindisi/Carpi/Valdichiana Vendor in respect of arrears of rent relating to the Vanguard Properties and apportioned to the Brindisi/Carpi/

Valdichiana Vendor pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement,

provided that no withdrawal may be requested to be made as described in this paragraph (e) in respect of an amount required to be paid to a Vanguard Vendor to the extent that a withdrawal has already been made in respect of that amount (or the relevant portion of that amount).

(f) To the extent that a Vanguard Target is the Relevant Vanguard Signatory, the relevant Vanguard Target may withdraw from the amounts standing to the credit of the Vanguard Borrowers Existing Accounts for payment into that Vanguard Obligor's Vanguard Borrowers General Account such amount as Vanguard Bidco certifies to the Borrower Facility Agent as:

(i)

(A) constitute receivables of La Scaglia existing as of the Closing Date (as defined in the La Scaglia Acquisition Agreement) and indicated in the La Scaglia Acquisition Agreement; and

(B) are required pursuant to the La Scaglia Acquisition Agreement to be paid to a Vanguard Vendor pursuant to the relevant Vanguard Acquisition Agreement; or

(ii)

(A) constitute receipts of rental arrears relating to the period prior to the Vanguard Closing Date; and

(B) are required pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement to be paid to a Brindisi/Carpi/Valdichiana Vendor in respect of arrears of rent relating to the Vanguard Properties and apportioned to the Brindisi/Carpi/ Valdichiana Vendor pursuant to the Brindisi/Carpi/Valdichiana Acquisition Agreement,

provided that no withdrawal may be made as described in this paragraph (f) in respect of an amount required to be paid to a Vanguard Vendor to the extent that a withdrawal has already been made in respect of that amount (or the relevant portion of that amount).

(g) In this section "**Relevant Vanguard Signatory**" means:

(i) if the Borrower Facility Agent has sole signing rights in respect of the Vanguard Borrowers Existing Account into which such amount has been received, the Borrower Facility Agent; or

(ii) if the Borrower Facility Agent does not have sole signing rights to the relevant Vanguard Borrowers Existing Account into which such amount has been received, the relevant Vanguard Target.

The Vanguard Obligors must ensure that:

(a) the Borrower Facility Agent is provided with evidence in form and substance satisfactory to it (acting reasonably) that each Vanguard Borrowers Existing Account has been closed as soon as reasonably practicable following the Account Backstop Date; and

(b) no Vanguard Borrowers Existing Account shall become overdrawn.

D. Vanguard Account Bank

At the time of entry into the Vanguard Loan Agreement, the Vanguard Borrowers Accounts which were open at that time (with the exception of the Vanguard Bidco Accounts and the Vanguard Pledgco General Account) were opened with ING Bank Italy and the Vanguard Bidco Accounts and the Vanguard Pledgeco General Account were opened with ING Luxembourg S.A., Luxembourg. The Vanguard Obligors may (in their sole discretion), subject to the below, transfer any Vanguard Borrowers Account to any other account bank at any time subject to providing equivalent Vanguard Loan Security, corporate

authorisations and opinions in respect of any such transferred Vanguard Borrowers Account to the Borrower Facility Agent. The relevant Vanguard Obligor shall give the Borrower Facility Agent prior notice of any such transfer (and shall provide account details as may be reasonably required by the Borrower Facility Agent). The Borrower Facility Agent is obliged to provide assistance as is required for such transfer in respect of any Vanguard Borrowers Account on which it has sole signing rights.

Each bank or financial institution with which a Vanguard Borrowers Account is held must hold a Vanguard Requisite Rating when the Vanguard Borrowers Account is opened with it. If any bank or financial institution with which a Vanguard Borrowers Account is held ceases to have a Vanguard Requisite Rating, the Borrower Facility Agent may request in writing that any Vanguard Borrowers Account held with such bank or financial institution is transferred to a new account bank that holds a Vanguard Requisite Rating. As soon as practicable after receipt of such request (but in any event within thirty (30) days of such receipt) the relevant Vanguard Obligor shall, unless the paragraph below applies, transfer (and shall do all other things reasonably necessary to effect such transfer) that Vanguard Borrowers Account to another account bank which holds a Vanguard Requisite Rating (and shall provide account details as may be reasonably required by the Borrower Facility Agent). The Borrower Facility Agent shall provide assistance as is required for such transfer in respect of any Vanguard Borrowers Account on which it has sole signing rights.

If a bank or financial institution with which a Vanguard Borrowers Account is held ceases to have a Vanguard Requisite Rating and following receipt of a request from the Borrower Facility Agent to transfer any Vanguard Borrowers Account to a new account bank that has a Vanguard Requisite Rating in accordance with the paragraph above it is not possible to find a replacement account bank with a Vanguard Requisite Rating, the Borrower Facility Agent and Vanguard Bidco will consult with each other (for a period of no more than five Business Days and both acting reasonably) with a view to agreeing a substitute bank or financial institution that may be used as an account bank. At the end of that period of consultation the Borrower Facility Agent shall specify which alternative bank or financial institution may be used as an account bank.

Each Vanguard Obligor shall do all such things as the Borrower Facility Agent reasonably requests in order to facilitate any change of account bank (including, without limitation, the execution of bank mandate forms, transfer of balances, issue of revised payment instructions relating to any tenant or guarantor under any Vanguard Occupational Lease, the delivery of relevant corporate authorisations and legal opinions and the grant and/or perfection of Vanguard Loan Security over the new accounts).

Withdrawals

If a Vanguard Loan Event of Default has occurred which has not been remedied or waived or a Vanguard Loan Event of Default would occur as a result of a withdrawal, no withdrawal may be made by any Vanguard Obligor from the Vanguard Borrowers Accounts, except with the prior written consent of the Borrower Facility Agent or to pay the Vanguard Secured Liabilities in accordance with the Vanguard Loan Agreement.

At any time when a Vanguard Loan Event of Default is continuing and on the Vanguard Loan Maturity Date, the Borrower Facility Agent may:

(a) operate any Vanguard Borrowers Account (including the Vanguard Borrowers General Accounts and the Vanguard Borrowers Service Charge Accounts) at its discretion;

(b) notify the relevant Vanguard Obligor that its rights to operate its Vanguard Borrowers General Account and its Vanguard Borrowers Service Charge Account are suspended, such notice to take effect in accordance with its terms; and

(c) withdraw from, and apply amounts standing to the credit of, each Vanguard Borrowers Account in or towards any purpose for which moneys in any Vanguard Borrowers Account may be applied (including in or towards payment of the Vanguard Secured Liabilities).

If and for so long as a Vanguard Loan Event of Default is continuing, the Borrower Facility Agent may give notice to each account bank that no amount may be withdrawn from the Vanguard Borrowers General Accounts or the Vanguard Borrower Service Charge Accounts without its prior written consent. If a Vanguard Loan Event of Default is no longer continuing and the Borrower Facility Agent has

previously given such notice to an account bank, the Borrower Facility Agent shall promptly notify that account bank that the prior written consent of the Borrower Facility Agent is no longer required in relation to withdrawal of amounts from the relevant Vanguard Borrowers General Account or the Vanguard Borrowers Service Charge Accounts (as applicable).

This does not limit or affect any Vanguard Obligors' obligations to pay the Vanguard Secured Liabilities or to make voluntary or mandatory payments under the Vanguard Loan Documents.

Miscellaneous Accounts provisions

Any amount received or recovered by a Vanguard Obligor otherwise than by credit to a Vanguard Borrowers Account must be held subject to the security created by the Vanguard Loan Documents and immediately be paid to the relevant Vanguard Borrowers Account in the same funds as received or recovered.

If any payment is made into a Vanguard Borrowers Account in relation to which the Borrower Facility Agent has sole signing rights which should have been paid into another Vanguard Borrowers Account, then, unless a Vanguard Loan Event of Default has occurred which has not been remedied or waived, the Borrower Facility Agent must, at the request of the Vanguard Bidco and on receipt of evidence satisfactory to the Borrower Facility Agent that the payment should have been made to that other Vanguard Borrowers Account, pay that amount to that other Vanguard Borrowers Account.

No Vanguard Obligor may, without the prior written consent of the Borrower Facility Agent maintain any bank account other than any Vanguard Borrowers Account, any Vanguard Borrowers Existing Account and any account required to be maintained pursuant to a Vanguard Escrow Agreement.

Each Vanguard Borrowers Account shall earn interest at such rate(s) as each Vanguard Obligor may from time to time agree with the relevant account bank.

Each Vanguard Borrowers Account shall be denominated in euro.

No Vanguard Borrowers Account may become overdrawn (and the Vanguard Obligors shall procure that no Vanguard Borrowers Account shall become overdrawn) and to the extent that any withdrawal (if made in full) would cause a Vanguard Borrowers Account to become overdrawn, such withdrawal shall be reduced so that it will not result in such Vanguard Borrowers Account becoming overdrawn.

Each Vanguard Obligor may pay to the relevant account bank such reasonable transaction charges and other fees as they may agree with the relevant account bank in relation to the Vanguard Borrowers Accounts.

Following the Valdichiana Merger, any Vanguard Borrowers Accounts:

(a) that were, prior to the Valdichiana Merger, in the name of Vanguard Italian Bidco; or

(b) are the Valdichiana Equity Cure Account, Valdichiana Prepayment Account or Valdichiana Cash Trap Account,

are required to be closed as soon as reasonably practicable.

Upon the occurrence of a Vanguard Loan Event of Default which is continuing, the monies standing to the credit of any Vanguard Borrowers Account, may be applied by the Borrower Facility Agent or, following the enforcement of the Vanguard Loan Security, the Borrower Security Agent in or towards payment of the Vanguard Secured Liabilities to the extent due.

Notwithstanding any other provision described in this section, the Borrower Facility Agent shall not be obliged to make any withdrawal from a Vanguard Borrowers Account if a Vanguard Loan Event of Default is continuing or would result from such withdrawal.

If a Vanguard Obligor makes any payment into a Vanguard Borrowers Account which is not held in its name or for its benefit, a subordinated loan shall arise owed by the relevant Vanguard Obligor to the Vanguard Obligor making the payment.

To the extent that any payment is made from a Vanguard Borrowers Account by or on behalf of any Vanguard Obligor to or for the benefit of another Vanguard Obligor, a subordinated loan shall arise owed by that Vanguard Obligor to the relevant Vanguard Obligor.

DESCRIPTION OF THE BORROWER HEDGING AGREEMENTS

The Franc Borrower Cap

A The Franc Borrower Cap Agreement

Interest is payable on the Franc Loan at a floating rate based on three-month EURIBOR. In order to hedge against such exposure, the Franc Borrower has entered into a prepaid cap agreement documented under an ISDA 2002 Master Agreement with Commonwealth Bank of Australia (the "**Franc Borrower Cap Provider**") as cap provider with respect to the Franc Loan (the "**Franc Borrower Cap Agreement**"). Pursuant to the Franc Borrower Cap Agreement, the Franc Borrower Cap Provider will make payments to the extent that three-month EURIBOR exceeds (i) in respect of the period to (but excluding) the Loan Interest Period Date falling in August 2015, 2.25 per cent, (ii) in respect of the period from (and including) the Loan Interest Period Date falling in August 2015 to (but excluding) the Loan Interest Period Date falling in August 2016, 2.50 per cent and (iii) in respect of the period from (and including) the Loan Interest Period Date falling in August 2016 until 20 September 2018 (or if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day) (the "**Franc Cap Termination Date**"), 2.75 per cent and the Franc Borrower has paid a fixed amount payment of premium. The payments by the Franc Borrower Cap Provider under the Franc Borrower Cap Agreement will be based upon the notional amount of such Franc Borrower Cap Agreement which is intended to match the scheduled (or anticipated) amortisation schedule on the Franc Loan. See the "*Franc Borrower Cap Agreement Notional Amount Schedule*" table below. However, there can be no assurance that such amortisation schedule will match the actual amortisation on the Franc Loan. See "*Risk Factors and Special Considerations— Considerations relating to the Borrower Hedging Agreements*" above.

B Franc Borrower Cap Agreement Notional Amount Schedule

Date From * (inclusive)	Date To * (exclusive)	Payment Date*	Notional amount (EUR)	Cap Rate (%)
The Franc Effective Date	February 17 2014	February 17 2014	78,437,500.00	2.25%
February 17 2014	May 15 2014	May 15 2014	78,241,406.00	2.25%
May 15 2014	August 18 2014	August 18 2014	78,045,313.00	2.25%
August 22 2014	November 24 2014	November 17 2014	77,849,219.00	2.25%
November 24 2014	February 23 2015	February 15 2015	77,653,125.00	2.25%
February 23 2015	May 22 2015	May 2015	77,457,031.00	2.25%
May 22 2015	August 24 2015	August 15 2015	77,260,938.00	2.25%
August 24 2015	November 23 2015	November 15 2015	77,064,844.00	2.50%
November 23 2015	February 22 2016	February 15 2016	76,868,750.00	2.50%
February 22 2016	May 23 2016	May 15 2016	76,672,656.00	2.50%
May 23 2016	August 22 2016	August 15 2016	76,476,563.00	2.50%
August 22 2016	November 22 2016	November 15 2016	76,280,469.00	2.75%
November 22 2016	February 22 2017	February 15 2017	76,084,375.00	2.75%
February 22 2017	May 22 2017	May 15 2017	75,888,281.00	2.75%

May 22 2017	August 22 2017	August 15 2017	75,692,188.00	2.75%
August 22 2017	November 22 2017	November 15 2017	75,496,094.00	2.75%
November 22 2017	February 22 2018	February 15 2018	75,300,000.00	2.75%
February 22 2018	May 22 2018	May 15 2018	75,103,906.00	2.75%
May 22 2018	August 22 2018	August 15 2018	74,907,813.00	2.75%
August 22 2018	The Franc Cap Termination Date	The Franc Cap Termination Date	74,711,719.00	2.75%

* All dates, with the exception of the Franc Effective Date, are subject to adjustment in accordance with the **Modified Following** Business Day Convention.

"**Franc Effective Date**" means 20 September 2013.

The Franc Borrower Cap Provider may, with the prior written consent of the Borrowers, transfer its rights and obligations under the Franc Borrower Cap Agreement on the terms set out in the Franc Borrower Cap Agreement.

The Franc Borrower Cap Provider is obliged to make payments under the Franc Borrower Cap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, provided such withholding or deduction constitutes an "Indemnifiable Tax" under the provisions of the Franc Borrower Cap Agreement, the Franc Borrower Cap Provider will be required to pay such additional amount as is necessary to ensure that the amount actually received by a Borrower, or its agents will equal the full amount a Borrower or its agents, would have received had no such withholding or deduction been required.

The Franc Borrower Cap Agreement provides, however, that if due to action taken by a relevant tax authority or brought in a court of competent jurisdiction or any change in tax law, the Franc Borrower Cap Provider will, or there is a substantial likelihood that it will, on the next payment date, be required to pay additional amounts in respect of tax under the Franc Borrower Cap Agreement or there is a substantial likelihood that it will, receive payment from the other party from which an amount is required to be deducted or withheld for or on account of tax (a "**Franc Tax Event**"), the Franc Borrower Cap Provider will use its reasonable efforts to transfer its rights and obligations to another of its offices, branches or affiliates or a suitably rated third party to avoid the relevant Franc Tax Event. If no such transfer can be effected, the Franc Borrower Cap Agreement may be terminated.

The Franc Borrower Cap Agreement will contain certain other limited termination events and events of default (each, a "**Franc Cap Termination Event of Default**") which will entitle either party to terminate it.

If the Franc Borrower Cap Provider defaults in its obligations under the Franc Borrower Cap Agreement, resulting in the termination thereof, the Borrowers will be obliged to procure a replacement cap agreement within 30 days of such default.

The Franc Borrower Cap Agreement provides that the Franc Borrower Cap Provider is required to maintain (i) a rating assigned to its long-term, unsecured, unsubordinated and unguaranteed debt obligations of "A" or better by S&P and "A" or better by Fitch, (ii) if a short term rating from Fitch exists, a rating assigned to its short-term, unsecured, unsubordinated and unguaranteed debt obligations of F2 or better by Fitch, and (iii) if a short term rating from S&P exists, a rating assigned to its short-term, unsecured, unsubordinated and unguaranteed debt obligations of "A-1" or better by S&P (the "**Required Ratings**"). Should the Franc Borrower Cap Provider be downgraded below the Required Ratings (a "**Downgrade Event**"), the Franc Borrower Cap Provider will, within thirty (30) calendar days of such Downgrade Event, transfer its rights and obligations under the Franc Borrower Cap Agreement to a replacement counterparty with the Required Ratings. Until such replacement counterparty is in place, the Franc Borrower Cap Provider will continue to perform its obligations under the Franc Borrower Cap Agreement.

Failure by the Franc Borrower Cap Provider to take the measures described above following Downgrade Event will constitute a termination event under the Franc Borrower Cap Agreement.

As at the date hereof, the Franc Borrower Cap Provider has a rating assigned to its short-term, unsecured, unsubordinated and unguaranteed debt obligations of "A-1+" by S&P, "F1+" by Fitch and "P-1" by Moody's and to its long-term, unsecured, unsubordinated and unguaranteed debt obligations of "AA-" by S&P, "AA-" by Fitch and "Aa2" by Moody's.

The Franc Borrower Cap Agreement is governed by English law.

The Vanguard Borrower Cap

A The Vanguard Borrower Cap Agreements

Interest is payable on the Vanguard Loan at a floating rate based on three-month EURIBOR. In order to hedge against such exposure, each Vanguard Borrower has entered into a prepaid cap agreement documented under a deemed ISDA 2002 Master Agreement with Commonwealth Bank of Australia (the "**Vanguard Borrower Cap Provider**") as cap provider with respect to the Vanguard Loan (the "**Vanguard Borrower Cap Agreements**"), and together with the Franc Borrower Cap Agreement, the "**Borrower Hedging Agreements**"). Pursuant to the Vanguard Borrower Cap Agreements, the Vanguard Borrower Cap Provider will make payments to the extent that three-month EURIBOR exceeds (i) in respect of the period from and including 22 May 2014 (the "**Effective Date**") to but excluding 23 May 2016, 2 per cent, and (ii) in respect of the period from (and including) 23 May 2016 until 15 August 2019 (the "**Termination Date**"), 3.5 per cent and the Vanguard Borrowers have made a one-time fixed amount payment of premium. The payments by the Vanguard Borrower Cap Provider under the Vanguard Borrower Cap Agreement will be based upon the notional amount of such Vanguard Borrower Cap Agreement which is intended to match the scheduled (or anticipated) amortisation schedule on the Vanguard Loan. See the "*Vanguard Borrower Cap Agreement Notional Amount Schedule*" table below. However, there can be no assurance that such amortisation schedule will match the actual amortisation on the Vanguard Loan. See "*Risk Factors and Special Considerations— Considerations relating to the Borrower Hedging Agreements*" above.

B Vanguard Borrower Cap Agreements Notional Amount Schedules

a. Degi Valdichiana S.r.l (subsequently re-named as Valdichiana Retail S.r.l) Cap Agreement Notional Amount Schedule

Date From * (inclusive)	Date To * (exclusive)	Notional amount (EUR)	Cap Rate (%)
The Effective Date	24 November 2014	53,391,309.00	2.00
24 November 2014	23 February 2015	53,257,830.73	2.00
23 February 2015	22 May 2015	53,124,352.46	2.00
22 May 2015	24 August 2015	52,990,874.18	2.00
24 August 2015	23 November 2015	52,857,395.91	2.00
23 November 2015	22 February 2016	52,723,917.64	2.00
22 February 2016	23 May 2016	52,590,439.37	2.00
23 May 2016	22 August 2016	52,456,961.09	3.50
22 August 2016	22 November 2016	52,323,482.82	3.50
22 November 2016	22 February 2017	52,190,004.55	3.50
22 February 2017	22 May 2017	52,056,526.28	3.50
22 May 2017	22 August 2017	51,923,048.00	3.50
22 August 2017	22 November 2017	51,789,569.73	3.50
22 November 2017	22 February 2018	51,656,091.46	3.50
22 February 2018	22 May 2018	51,522,613.19	3.50
22 May 2018	22 August 2018	51,389,134.91	3.50
22 August 2018	22 November 2018	51,255,656.64	3.50
22 November 2018	22 February 2019	51,122,178.37	3.50
22 February 2019	22 May 2019	50,988,700.10	3.50
22 May 2019	The Termination Date	50,855,221.82	3.50

b. Degi Brindisi S.r.l (subsequently re-named as Brindisi Retail S.r.l) Cap Agreement Notional Amount Schedule

Date From * (inclusive)	Date To * (exclusive)	Notional amount (EUR)	Cap Rate (%)
The Effective Date	24 November 2014	21,515,000.00	2.00
24 November 2014	23 February 2015	21,461,212.50	2.00
23 February 2015	22 May 2015	21,407,425.00	2.00
22 May 2015	24 August 2015	21,353,637.50	2.00
24 August 2015	23 November 2015	21,299,850.00	2.00

Date From * (inclusive)	Date To * (exclusive)	Notional amount (EUR)	Cap Rate (%)
23 November 2015	22 February 2016	21,246,062.50	2.00
22 February 2016	23 May 2016	21,192,275.00	2.00
23 May 2016	22 August 2016	21,138,487.50	3.50
22 August 2016	22 November 2016	21,084,700.00	3.50
22 November 2016	22 February 2017	21,030,912.50	3.50
22 February 2017	22 May 2017	20,977,125.00	3.50
22 May 2017	22 August 2017	20,923,337.50	3.50
22 August 2017	22 November 2017	20,869,550.00	3.50
22 November 2017	22 February 2018	20,815,762.50	3.50
22 February 2018	22 May 2018	20,761,975.00	3.50
22 May 2018	22 August 2018	20,708,187.50	3.50
22 August 2018	22 November 2018	20,654,400.00	3.50
22 November 2018	22 February 2019	20,600,612.50	3.50
22 February 2019	22 May 2019	20,546,825.00	3.50
22 May 2019	The Termination Date	20,493,037.50	3.50

c. Valdichiana Propco S.r.l Cap Agreement Notional Amount Schedule

Date From * (inclusive)	Date To * (exclusive)	Notional amount (EUR)	Cap Rate (%)
The Effective Date	24 November 2014	16,994,653.00	2.00
24 November 2014	23 February 2015	16,962,166.37	2.00
23 February 2015	22 May 2015	16,909,679.74	2.00
22 May 2015	24 August 2015	16,867,193.10	2.00
24 August 2015	23 November 2015	16.824,706.47	2.00
23 November 2015	22 February 2016	16,782,219.84	2.00
22 February 2016	23 May 2016	16,739,733.21	2.00
23 May 2016	22 August 2016	16,697,246.57	3.50
22 August 2016	22 November 2016	16,654,759.94	3.50
22 November 2016	22 February 2017	16,612,273.31	3.50
22 February 2017	22 May 2017	16,569,786.68	3.50
22 May 2017	22 August 2017	16.527,300.04	3.50
22 August 2017	22 November 2017	16,484,813.41	3.50
22 November 2017	22 February 2018	16,442,326.78	3.50
22 February 2018	22 May 2018	16,399,840.15	3.50
22 May 2018	22 August 2018	16,357,353.51	3.50
22 August 2018	22 November 2018	16,314,866.88	3.50
22 November 2018	22 February 2019	16,272,380.25	3.50
22 February 2019	22 May 2019	16,229 893.62	3.50
22 May 2019	The Termination Date	16,187,406.98	3.50

d. Degi Capri S.r.l (subsequently re-named as Capri Retail S.r.l) Cap Agreement Notional Amount Schedule

Date From * (inclusive)	Date To * (exclusive)	Notional amount (EUR)	Cap Rate (%)
The Effective Date	24 November 2014	17,225,000.00	2.00
24 November 2014	23 February 2015	17,181 937.50	2.00
23 February 2015	22 May 2015	17,138,875.00	2.00
22 May 2015	24 August 2015	17,095,812.50	2.00
24 August 2015	23 November 2015	17,052,750.00	2.00
23 November 2015	22 February 2016	17,009,667.50	2.00
22 February 2016	23 May 2016	16,966,625.00	2.00
23 May 2016	22 August 2016	16,923,562.50	3.50
22 August 2016	22 November 2016	16,880,500.00	3.50
22 November 2016	22 February 2017	16,837,437.50	3.50
22 February 2017	22 May 2017	16,794,375.00	3.50

Date From * (inclusive)	Date To * (exclusive)	Notional amount (EUR)	Cap Rate (%)
22 May 2017	22 August 2017	16,751,312.50	3.50
22 August 2017	22 November 2017	16,708,250.00	3.50
22 November 2017	22 February 2018	16,665,187.50	3.50
22 February 2018	22 May 2018	16,622,125.00	3.50
22 May 2018	22 August 2018	16,579,062.50	3.50
22 August 2018	22 November 2018	16,536,000.00	3.50
22 November 2018	22 February 2019	16,492,937.50	3.50
22 February 2019	22 May 2019	16,449,875.00	3.50
22 May 2019	The Termination Date	16,406,812.50	3.50

e. La Scaglia S.r.l Cap Agreement Notional Amount Schedule

Date From * (inclusive)	Date To * (exclusive)	Notional amount (EUR)	Cap Rate (%)
The Effective Date	24 November 2014	11,050,000.00	2.00
24 November 2014	23 February 2015	11,022,375.00	2.00
23 February 2015	22 May 2015	10,994,750.00	2.00
22 May 2015	24 August 2015	10,967,125.00	2.00
24 August 2015	23 November 2015	10,939,500.00	2.00
23 November 2015	22 February 2016	10,911,875.00	2.00
22 February 2016	23 May 2016	10,884,250.00	2.00
23 May 2016	22 August 2016	10,856,625.00	3.50
22 August 2016	22 November 2016	10,829,000.00	3.50
22 November 2016	22 February 2017	10,801,375.00	3.50
22 February 2017	22 May 2017	10,773,750.00	3.50
22 May 2017	22 August 2017	10,746,125.00	3.50
22 August 2017	22 November 2017	10,718,500.00	3.50
22 November 2017	22 February 2018	10,690,875.00	3.50
22 February 2018	22 May 2018	10,663,250.00	3.50
22 May 2018	22 August 2018	10,635,625.00	3.50
22 August 2018	22 November 2018	10,608,000.00	3.50
22 November 2018	22 February 2019	10,580,375.00	3.50
22 February 2019	22 May 2019	10,552,750.00	3.50
22 May 2019	The Termination Date	10,525,125.00	3.50

* All dates, with the exception of the Vanguard Effective Date, are subject to adjustment in accordance with the **Modified Following** Business Day Convention.

The Vanguard Borrower Cap Provider may, with the prior written consent of the relevant Vanguard Borrower, transfer its rights and obligations under the relevant Vanguard Borrower Cap Agreement on the terms set out in such Vanguard Borrower Cap Agreement.

The Vanguard Borrower Cap Provider is obliged to make payments under the Vanguard Borrower Cap Agreements without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, provided such withholding or deduction constitutes an "Indemnifiable Tax" under the provisions of the Vanguard Borrower Cap Agreements, the Vanguard Borrower Cap Provider will be required to pay such additional amount as is necessary to ensure that the amount actually received by the relevant Vanguard Borrower, or its agents will equal the full amount the relevant Vanguard Borrower or its agents, would have received had no such withholding or deduction been required.

Each Vanguard Borrower Cap Agreement provides, however, that if due to action taken by a relevant tax authority or brought in a court of competent jurisdiction or any change in tax law, the Vanguard Borrower Cap Provider will, or there is a substantial likelihood that it will, on the next payment date, be required to pay additional amounts in respect of tax under the relevant Vanguard Borrower Cap Agreement or there is a substantial likelihood that it will, receive payment from the other party from which an amount is required to be deducted or withheld for or on account of tax, the Vanguard Borrower Cap Provider will use its reasonable efforts to transfer its rights and obligations to another of its offices, branches or

affiliates or a suitably rated third party to avoid the relevant Tax Event. If no such transfer can be effected, the relevant Vanguard Borrower Cap Agreement may be terminated.

Each Vanguard Borrower Cap Agreement will contain certain other limited termination events and events of default (each, a "**Vanguard Cap Termination Event of Default**") which will entitle either party to terminate it.

If the Vanguard Borrower Cap Provider defaults in its obligations under one of the Vanguard Borrower Cap Agreements, resulting in the termination thereof, the Vanguard Borrowers will be obliged to procure a replacement cap agreement within 30 days of such default.

The Vanguard Borrower Cap Agreement provides that the Vanguard Borrower Cap Provider is required to maintain (i) if a long term rating from DBRS exists, a rating assigned to its long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least "A" by DBRS, (ii) a rating assigned to its long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least "A+" by S&P and "A-" by Fitch, (iii) if a short term rating from Fitch exists, a rating assigned to its short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least F2 by Fitch, and (iii) if a short term rating from S&P exists, a rating assigned to its short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least "A-1 by S&P (the "**Required Ratings**"). Should the Vanguard Borrower Cap Provider be downgraded below the Required Ratings (a "**Downgrade Event**"), the Vanguard Borrower Cap Provider will, within thirty (30) calendar days of such Downgrade Event, transfer its rights and obligations under the Vanguard Borrower Cap Agreements to a replacement counterparty with the Required Ratings. Until such replacement counterparty is in place, the Vanguard Borrower Cap Provider will continue to perform its obligations under the Vanguard Borrower Cap Agreements.

Failure by the Vanguard Borrower Cap Provider to take the measures described above following Downgrade Event will constitute a termination event under the Vanguard Borrower Cap Agreements.

As at the date hereof, the Vanguard Borrower Cap Provider has a rating assigned to its short-term, unsecured, unsubordinated and unguaranteed debt obligations of "A-1+" by S&P, "F1+" by Fitch and "P-1" by Moody's and to its long-term, unsecured, unsubordinated and unguaranteed debt obligations of "AA-" by S&P, "AA-" by Fitch and "Aa2" by Moody's

The Vanguard Borrower Cap Agreements are governed by English law.

THE BORROWERS

The Franc Borrower

A The Franc Original Borrower

The Franc Original Borrower is Frankie Bidco S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453, Luxembourg, registered with the Register of Commerce and Companies in Luxembourg under number B178.917 and with a share capital of €12,500.

B The Franc Borrower

The Franc Borrower is Franciacorta Retail S.r.l. (formerly DEGI Franciacorta S.r.l.), a company incorporated in Italy in the form of a *Società per Azioni con un unico socio*, with fully paid-up share capital of €10,000.00, registered office in Milan, at Via San Vittore al Teatro 3, tax code and Milan Companies Register number 05523390960. The Franc Borrower was incorporated on 15 December 2006.

The principal corporate purpose of the Franc Borrower, as set out in its by-laws (statuto) is: (i) the construction, acquisition, (non-financial) lease, sale and management of real estate assets for any use in Italy, including shopping centres, (ii) the transformation, development and use of the real estate assets acquired, (iii) the provision of services in the real estate sector in connection with the management of real estate owned by the company, the preparation of real estate appraisals and assessments, of economic and financial feasibility studies regarding real estate transactions and technical assistance for real estate development. Under its by-laws, the Franc Borrower cannot own more than three real estate assets.

As of the Loan Payment Date falling in May 2014, the Franc Borrower's sole real asset is the Franc Property, and the company has no employees.

The Franc Borrower is managed by a board of directors, which is composed of 3 members: Paolo Massimiliano Bottelli (Chairman), Diana Hoffman and Jonathan Matthew Lurie, who were all appointed on 20 September 2013. The business address of the directors is the registered address above. The telephone number of the registered office of the Franc Borrower is + 39 0331 786551.

The Franc Borrower's board of statutory auditors, appointed on 26 March 2013, is composed of 3 members: Maurizio Dettoni (Chairman), Egidio Cologna (Standing Auditor) and Raffaele D'Atterio (Standing Auditor), enrolled with the register of statutory auditors (*Registro dei revisori legali*). The Franc Borrower's board of statutory auditors acted as auditors in respect of the financial period ending September 2012. In respect of the financial period ending December 2013, Deloitte & Touche S.p.A. acting though their office at Via Tortona 25, 20144, Milan, Italy have acted as auditor of the Franc Borrower. Deloitte & Touche S.p.A. is enrolled with the register of statutory auditors (*Registro dei revisori legali*).

The Vanguard Borrowers

A The Vanguard Original Borrowers

Vanguard BidCo S.à r.l.

Vanguard Bidco *S.à r.l.,* is a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of Luxembourg with its registered office at 2-4, rue Eugène Ruppert, L-2453 Luxembourg being registered with the Register of Commerce and Companies in Luxembourg under number B172.936 and with a share capital of €12,500.

Valdichiana PropCo S.r.l.

Valdichiana Propco S.r.l., a limited liability company incorporated under the laws of Italy in the form of a *società a responsabilità limitata,* with corporate capital of €10,000, and registered office in Milano, Corso Italia 8, with number of registration at the Companies' Registry of Milan and VAT number 08616300961.

The principal corporate purpose of Valdichiana Propco S.r.l. as set out in its by-laws (*statuto*) is: (i) the design, construction, and maintenance (including through contractors) of all real estate regardless of use,

(ii) the acquisition, sale, swap, lease, development and management of real estate, (iii) the provision of consultancy and technical and administrative services in connection with any real estate transaction.

Valdichiana Propco S.r.l. is managed by a board of directors, which is currently composed of 3 members: Paolo Massimiliano Bottelli (Chairman), Jean-Francois Pascal Bossy, and Jonathan Matthew Lurie, who were all appointed on 27 February 2014. Valdichiana Propco S.r.l. has no board of statutory auditors.

Since the date of incorporation the Valdichiana Retail S.r.l. has not commenced operations and no financial statements have been made up as at the date of the Prospectus

La Scaglia S.r.l.

La Scaglia S.r.l. is a limited liability company incorporated under the laws of Italy in the form of a *società a responsabilità limitata,* with issued and underwritten corporate capital of Euro 14,502,842 and approved corporate capital of Euro 100,000.00, and registered office in Milano, Corso Italia 8, with number of registration at the Companies' Registry of Milan and VAT number 01778970564. La Scaglia S.r.l. was incorporated on 22 March 2004.

The principal corporate purpose of La Scaglia S.r.l. as set out in its by-laws (*statuto*) is: (i) the sale and purchase of real estate assets, including business units as a going concern, and any activity relating thereto, provided that the real estate assets are located in Italy and that the company may not own more than three real estate assets, including buildings under construction, vacant land and surface rights.

As of the Vanguard Utilisation Date, La Scaglia S.r.l.'s sole real asset is the La Scaglia Property, and the company has no employees.

La Scaglia S.r.l. is managed by a board of directors, which is composed of 4 members: Paolo Massimiliano Bottelli (Chairman), Jonathan Matthew Lurie, Jean-Francois Pascal Bossy, and Arie Willem Den Hartog, who were all appointed on 27 February 2014. The business address of the directors is Corso di Porta Romana 68, 20122 - Milan. The telephone number of the registered office of La Scaglia S.r.l. is +39 02 304 62 800.

La Scaglia S.r.l.'s board of statutory auditors, appointed on 27 February 2014, is composed of 5 members: Luca Mercaldo (Chairman), Fabio Mazzoleni (Standing Auditor) and Guido Cinti (Standing Auditor), Elisa Fucchi (Alternate Auditor), and Silvia Restori (Alternate Auditor), enrolled with the register of statutory auditors (*Registro dei revisori legali*).

B The Vanguard Additional Borrowers

Valdichiana Retail S.r.l.

Valdichiana Retail S.r.l. (formerly DEGI Valdichiana S.r.l.) is limited liability company, incorporated under the laws of Italy in the form of a *società a responsabilità limitata con unico socio* (with sole shareholder), has fully paid-up share capital of €15,300.00, registered office in Milan, at Via Brera 3, and is registered with the Companies' Register of Milan, registration number and tax code no. 10542730154. Valdichiana Retail S.r.l. was incorporated on 16 December 1991 under the name DEGI Valdichiana S.r.l.

The principal corporate purpose of Valdichiana Retail S.r.l. as set out in its by-laws (*statuto*) is: (i) the construction, acquisition, (non-financial) lease, sale and management of real estate assets for any use in Italy, including shopping centres, (ii) the transformation, development and use of the real estate assets acquired, (iii) the provision of services of real estate sector in connection with the management of real estate owned by the company, the preparation of real estate appraisals and assessments, of economic and financial feasibility studies regarding real estate transactions and technical assistance for real estate development. Under its by-laws, Valdichiana Retail S.r.l. cannot own more than three real estate assets.

As of the Vanguard Utilisation Date, Valdichiana Retail S.r.l.'s sole real asset is the Valdichiana Property, and the company has no employees.

Valdichiana Retail S.r.l. is managed by a board of directors, which is composed of 4 members: Paolo Massimiliano Bottelli (Chairman), Jonathan Matthew Lurie, Jean-Francois Pascal Bossy, and Arie Willem Den Hartog, who were all appointed on 22 May 2014. The business address of the directors is the

registered address above. The telephone number of the registered office of Valdichiana Retail S.r.l. is +39 02 84254800.

Valdichiana Retail S.r.l.'s board of statutory auditors, appointed on 22 May 2014, is composed of 3 members: Maurizio Dettoni (Chairman), Matteo Eugenio Moretti (Standing Auditor) and Raffaele D' Alterio (Standing Auditor), enrolled with the register of statutory auditors (*Registro dei revisori legali*). The Franc Borrower's board of statutory auditors have acted as auditors in respect of the previous two historical financial periods.

Brindisi Retail S.r.l.

Brindisi Retail S.r.l. (formerly DEGI Brindisi S.r.l.) is limited liability company, incorporated under the laws of Italy in the form of a *società a responsabilità limitata con unico socio* (with sole shareholder) , has fully paid-up share capital of €110,000.00, registered office in Milan, at Corso Italia 8, and is registered with the Companies' Register of Milan, registration number and tax code no. 1 and is registered with the Companies' Register of Milan, registration number and tax code no. 02272640356. Brindisi Retail S.r.l. was incorporated on 4 April 2007 under the name DEGI Brindisi S.r.l.

The principal corporate purpose of Brindisi Retail S.r.l. as set out in its by-laws (*statuto*) is: (i) the construction, acquisition, (non-financial) lease, sale and management of real estate assets, including commercial units and retails, and shopping centres, (ii) the transformation and use of the real estate assets acquired, (iii) the provision of services in the real estate sector in connection with the management of real estate owned by the company, the preparation of real estate appraisals and assessments, of economic and financial feasibility studies regarding real estate transactions and technical assistance for real estate development. Under its by-laws, Brindisi Retail S.r.l. cannot own more than three real estate assets.

As of the Vanguard Utilisation Date, Brindisi Retail S.r.l.'s sole real asset is the Brindisi Property and adjacent land, and the company has no employees.

Brindisi Retail S.r.l.is managed by a board of directors, which is composed of 4 members: Paolo Massimiliano Bottelli (Chairman), Jonathan Matthew Lurie, Jean-Francois Pascal Bossy, and Arie Willem Den Hartog, who were all appointed on 22 May 2014. Brindisi Retail S.r.l. has no board of statutory auditors. The telephone number of the registered office of Brindisi Retail S.r.l. is +39 02 30462800.

The auditors of Brindisi Retail S.r.l. are Euro Audit S.r.l., whose registered office is in Bolzano, at Via Sernesi n. 34. Euro Audit S.r.l. have acted as auditors in respect of the previous two historical financial periods.

Carpi Retail S.r.l.

Carpi Retail S.r.l. (formerly DEGI Carpi S.r.l.) is limited liability company, incorporated under the laws of Italy in the form of a *società a responsabilità limitata con unico socio* (with sole shareholder), has fully paid-up share capital of €119,000.00, registered office in Milan, at Corso Italia 8, and is registered with the Companies' Register of Milan, registration number and tax code no. 1 and is registered with the Companies' Register of Milan, registration number and tax code no. 03090870365. Carpi Retail S.r.l. was incorporated on 18 October 2006 under the name DEGI Carpi S.r.l.

The principal corporate purpose of Carpi Retail S.r.l. as set out in its by-laws (*statuto*) is: (i) the construction, acquisition, (non-financial) lease, sale and management of real estate assets, including shopping centres, (ii) the transformation and use of the real estate assets acquired, (iii) the provision of services in the real estate sector in connection with the management of real estate owned by the company, the preparation of real estate appraisals and assessments, of economic and financial feasibility studies regarding real estate transactions and technical assistance for real estate development. Under its by-laws, Carpi Retail S.r.l. cannot own more than three real estate assets.

As of the Vanguard Utilisation Date, Carpi Retail S.r.l.'s sole real asset is the Carpi Property and adjacent land, and the company has no employees.

Carpi Retail S.r.l. is managed by a board of directors, which is composed of 4 members: Paolo Massimiliano Bottelli (Chairman), Jonathan Matthew Lurie, Jean-Francois Pascal Bossy, and Arie

Willem Den Hartog, who were all appointed on 22 May 2014. Carpi Retail S.r.l. has no board of statutory auditors. The telephone number of the registered office of Carpi Retail S.r.l. is +39 02 30462800.

The auditors of Carpi Retail S.r.l. are Euro Audit S.r.l., whose registered office is in Bolzano, at Via Sernesi n. 34. Euro Audit S.r.l. have acted as auditors in respect of the previous two historical financial periods.

Tax status of Borrowers

Each of the Borrowers incorporated in Italy is a company resident for tax purposes in Italy and as such it is subject to *imposta sul reddito delle società* (IRES) currently at 27.5%, and to regional tax on productive activities (*imposta regionale sulle attività produttive* (IRAP) at a rate of 3.9 % (3.5% as of fiscal year 2014). IRAP rate may be increased by up to 0.92 percentage points on a regional basis.

Each of the Borrowers incorporated in Luxembourg is a company resident for tax purposes in Luxembourg.

THE SPONSOR

Blackstone is one of the world's leading investment and advisory firms. Blackstone's asset management businesses include investment vehicles focused on private equity, real estate, hedge fund solutions, non-investment grade credit, secondary funds, and multi asset class exposures falling outside of other funds' mandates. Blackstone also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services.

With offices in the U.S., Europe, and Asia, Blackstone is the global leader in private equity real estate, with over $81 billion of assets under management as of March 31, 2014. Blackstone has been one of the most active real estate investors globally having invested or committed to invest nearly $48 billion of equity capital over the past 23 years from our discretionary equity and debt funds. Today, Blackstone's nearly $130 billion portfolio includes premier properties in many top locations in the U.S., Europe and Asia, with a diverse mix of hotels, office, retail, industrial, residential and healthcare investments.

THE VALUATIONS

Prospective investors should be aware that each Valuation was prepared prior to the date of this Prospectus. Cushman & Wakefield have not been requested to update or revise any of the information contained in the Valuations, nor will it be asked to do so prior to the issue of the Notes. Accordingly, the information included in each Valuation may not reflect the current physical, economic, competitive, market or other conditions with respect to the Franc Property or the Vanguard Properties. None of the Lead Manager, the Sole Arranger, the Master Servicer, the Delegate Servicer, the Calculation Agent, the Liquidity Facility Provider, the Representative of the Noteholders, the Corporate Servicer, the Paying Agent or the Issuer Account Bank are responsible for the information contained in the Valuation.

The Valuations can be found at http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/ShowSecSpecialist/?secID=5389.

THE ISSUER

A Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Italian Securitisation Law on 30 May 2014 as a *società a responsabilità limitata* under the name "Moda 2014 S.r.l.". The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is in Via Vittorio Alfieri 1, Conegliano (TV) Italy, fiscal code and enrolment with the companies register of Treviso number 04673050268, enrolled under number 35139.5 in the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Italy's regulation dated 29 April 2011. The Issuer has no employees and no subsidiaries. The Issuer's telephone's number is +39 0438 360 926.

The authorised and issued quota capital of the Issuer is €10,000, fully paid. The current quotaholder of the Issuer is as follows:

Quotaholder	*Quota*
SVM Securitisation Vehicles Management S.r.l.	€10,000 (100% of the quota capital)

The Issuer has not declared or paid any dividends or, save as otherwise described in this Prospectus, incurred any indebtedness.

B Issuer's Principal Activities

The sole corporate object of the Issuer as set out in article 3 of its by-laws (*statuto*) and in compliance with the Italian Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

The Issuer was established as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions set forth in Condition 5 (*Issuer Covenants*).

Condition 5 (*Issuer Covenants*) provides that, so long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders and as provided in the Conditions, incur any other indebtedness for borrowed moneys (except in relation to any other securitisation carried out in accordance with the Issuer Transaction Documents) engage in any activities (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the Issuer Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any quota capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions or in the Intercreditor Agreement) or increase its capital.

The Issuer will covenant in the Intercreditor Agreement to observe, *inter alia*, the restrictions detailed in Condition 5 (*Issuer Covenants*).

C Directors

The current director of the Issuer is:

Sole director	Luigi Bussi. The domicile of Mr Luigi Bussi, in his capacity of the sole director of the Issuer, is at Issuer's registered office, Italy.

D The Quotaholder's Agreement

Pursuant to the term of the Quotaholder's Agreement entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Quotaholder, the Quotaholder has agreed, *inter alia*, not to amend the by-laws (*statuto*) of the Issuer and not to pledge, charge or dispose of the quota (save as set out below) of the Issuer without the prior written consent of the Representative of the Noteholders. The Quotaholder's Agreement is governed by, and will be construed in accordance with, Italian law.

E Accounts of the Issuer and accounting treatment of the Loan Portfolio

Pursuant to Bank of Italy regulations, the accounting information relating to the securitisation of the Loan Portfolio will be contained in the explanatory notes to the Issuer's accounts (*Nota Integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liabilities companies (*società a responsabilità limitata*).

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on the date of incorporation of the Issuer and will end on 31 December 2014.

F Capitalisation and indebtedness statement

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes, is as follows:

Quota capital

	Euro
Issued, authorised and fully paid up capital	10,000

Loan Capital

	Euro
€145,100,000 Class A Commercial Mortgage Backed Notes due 2026	145,100,000
€100,000 Class X1 Commercial Mortgage Backed Note due 2026	100,000
€100,000 Class X2 Commercial Mortgage Backed Note due 2026	100,000
€14,600,000 Class B Commercial Mortgage Backed Notes due 2026	14,600,000
€17,700,000 Class C Commercial Mortgage Backed Notes due 2026	17,700,000
€3,822,000 Class D Commercial Mortgage Backed Notes due 2026	3,822,000
€17,000,000 Class E Commercial Mortgage Backed Notes due 2026	17,000,000
Total loan capital (euro)	198,422,000

Subject to the above, as at the date of this Prospectus, the Issuer has no borrowings or indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

G Financial statements and auditors

The auditors or the Issuer are Dott. Lino De Luca, Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy (Public Certified Accountant enrolled with the Treviso's Public Certified Accountants)

Since the date of incorporation the Issuer has not commenced operations and no financial statements have been made up as at the date of the Prospectus.

THE ORIGINATOR

Goldman Sachs International Bank

Goldman Sachs International Bank is registered in England and Wales under company number 01122503 and authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under reference 124659. The main business of the bank is the provision of banking and other financial products and services in the United Kingdom and elsewhere. It acts as a primary dealer for European Government bonds and is involved in bond trading, loan origination, deposit taking, secondary dealing in bank loans and related activities and acts as an agent for the stocklending business. The bank is a member of the group of companies consisting of The Goldman Sachs Group, Inc. and its subsidiaries.

USE OF PROCEEDS

The proceeds from the issue of the Notes (other than the Class X Notes), being €198,222,000, will be applied by the Issuer to pay to the Originator the Purchase Price for the Loan Portfolio in accordance with the Loan Portfolio Sale Agreement, with €725.50 to be paid to Noteholders as part of Principal Available Funds on the first Note Payment Date. The proceeds from the issue of the Class X Notes, being €200,000, will be credited by the Issuer to the Class X Account.

DESCRIPTION OF THE ISSUER TRANSACTION DOCUMENTS

The description of the Issuer Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the Issuer Transaction Documents. Prospective Noteholders may inspect copies of the Issuer Transaction Documents upon request at the specified office of the Representative of the Noteholders.

A The Loan Portfolio Sale Agreement

On 1 July 2014, the Originator and the Issuer entered into the Loan Portfolio Sale Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Loan Portfolio.

The sale of the Loan Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Italian Securitisation Law). The Receivables comprised in the Loan Portfolio have been selected on the basis of the Criteria listed in Schedule 1 to the Loan Portfolio Sale Agreement. Notice of the transfer was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 81 of 10 July 2014 and was published in the companies register of Treviso on 9 July 2014.

Purchase Price

The consideration to be paid by the Issuer to the Originator in respect of the Loan Portfolio pursuant to the Loan Portfolio Sale Agreement is equal to the Purchase Price. The Purchase Price reflects the outstanding principal balance of each loan at the Issue Date being €78,045,312.50 in respect of the Franc Loan and €120,175,962 in respect of the Vanguard Loan.

Representation and Warranties

Under the Loan Portfolio Sale Agreement, the Originator made certain representations and warranties to the Issuer.

As of the date of execution of the Loan Portfolio Sale Agreement and as of the Issue Date, the Originator gives to the Issuer representations and warranties (subject, in certain cases, to certain provisos or disclosures) about, *inter alia*, (i) its status and powers; (ii) its unencumbered legal title to the Receivables; (iii) solely on the basis of the Loans Legal Opinions (and subject to any assumption, reservation and/or qualification set out therein) and/or the representations given by the Obligors in the relevant Loan Documents, each of the Loan Documents constituted, as at the date of the relevant Loans Legal Opinion, valid, legal, binding and enforceable obligations of the Borrowers; (iv) each Loan Security has been duly granted, created and (where applicable) registered and any activities required under the relevant security documents in relation to the perfection of the Loan Security have been performed or are required to be performed within a specified period as a condition subsequent under the relevant Loan Agreement; (v) the Loans contain no obligation to make any further advances which remains to be performed by the Seller on the Issue Date and no part of any advance pursuant to the Loans has been retained by the Seller pending compliance by the Borrowers or any other party with any other conditions; (vi) the Seller has not received any written notice of any event that constitutes a Loan Event of Default other than (a) in respect of the timing of presentation of certain conditions precedent and/or conditions subsequent under the Franc Loan Agreement or Vanguard Loan Agreement which Loan Events of Default are no longer outstanding at the date of this Agreement and (b) in respect of a breach of the insurance undertaking in the Franc Loan Agreement in its original form which breach is no longer continuing as at the date of this Agreement as a result of the amendment prior to the date of this Agreement of the insurance undertaking in the Franc Loan Agreement; (vii) certain characteristics of the Loans; (viii) certain characteristics of the Properties; and (ix) the insurance undertakings of the Borrowers under the Loan Agreements and the evidence provided by the Borrowers of the existence of the relevant insurance as a condition precedent to the Franc Amendment Agreement and as a condition precedent to the Vanguard Loan Agreement.

Undertakings

The Loan Portfolio Sale Agreement contains a number of undertakings by the Originator in respect of its activities in relation to the Receivables. The Originator has undertaken, *inter alia*, to refrain from any action which would cause any of the Receivables to become invalid or to cause a reduction in the amount

of any of the Receivables and not to commence or promote any enforcement or trial proceedings in relation to the Receivables.

Remedy for Material Breach and relevant indemnity and/or Re-purchase of the Loan Portfolio

In the event of a material breach of any of the representations and warranties given by the Seller set out in the Loan Portfolio Sale Agreement in respect of either Loan (any such Loan being the "**Affected Loan**") that in the opinion of the Representative of the Noteholders acting upon the instruction of the Noteholders given through an Extraordinary Resolution, materially and adversely affects the value of the Loan Portfolio or the interests of the Noteholders, and **provided that** such breach is not cured within a period of 60 days of receipt of a written notice from or on behalf of the Issuer to that effect (or such longer period not exceeding 90 days as the Issuer or the Representative of the Noteholders may agree to on its behalf), the Originator shall, without prejudice to any other right accruing to the Issuer under the Issuer Transaction Documents to which it is a party or under any and all applicable laws:

(a) advance to the Issuer, upon its first demand a non interest bearing limited recourse loan (the "**Limited Recourse Loan**") on the Note Payment Date immediately following such demand (**provided that** if such demand is served by the Issuer during a period within 30 days prior to a Note Payment Date such Limited Recourse Loan may, at the discretion of the Originator, be advanced on the next following Note Payment Date) in an amount equal to the sum of:

(i) the Outstanding Principal of the Affected Loan, as of the date on which the Limited Recourse Loan is granted, plus

(ii) an amount equal to interest accrued and not paid in relation to that Affected Loan as of the date on which the Limited Recourse Loan is granted (together with (i) above the "**Indemnity Value**");

repayable by the Issuer to the Originator only if and to the extent that any amounts under that Affected Loan are collected or recovered by (or on behalf of) the Issuer; or

(b) may, as an alternative, repurchase on the Note Payment Date immediately following such demand (**provided that** if such demand is served by the Issuer during a period within 30 days prior to a Note Payment Date such repurchase may, at the discretion of the Originator, only occur on the next following Note Payment Date) the receivables relating to the Affected Loan from the Issuer for an aggregate amount equal to the Indemnity Value **provided that**, the reference to the date on which the Limited Recourse Loan is granted shall be construed to mean the date on which the repurchase takes place.

Governing Law

The Loan Portfolio Sale Agreement and any non – contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

B **Key Terms of the Servicing Arrangements**

Master Servicer

Pursuant to the Master Servicing Agreement, the Issuer will appoint Securitisation Services S.p.A. (the "**Master Servicer**") as Regulatory Servicer, Primary Servicer and Special Servicer to act as its agent and provide certain services in relation to the Loan Portfolio.

The Regulatory Servicer will act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Italian Securitisation Law and, in such capacity, will also be responsible for ensuring compliance of the transaction with the provisions of articles 2.3, letter (c), and 2.6 of the Italian Securitisation Law (the "**Regulatory Services**").

The activities to be carried out by the Primary Servicer will include (prior to a Loan becoming a Specially Serviced Loan), taking all steps to preserve the Issuer's interests, processing and managing administrative and accounting data in relation to the Loan Portfolio and performing any other duties applicable to the Primary Servicer from time to time as specified under the Master Servicing Agreement (the "**Primary Services**").

The Special Servicer will (for as long as a Loan is a Specially Serviced Loan), among other things, be responsible for carrying out, on behalf of the Issuer, any activities related to the management, enforcement and recovery of the defaults and delinquencies under that Loan and will perform all other duties applicable to the Special Servicer from time to time in accordance with the Master Servicing Agreement (the "**Special Services**", together with the Regulatory Services and the Primary Services, the "**Services**").

For the purposes of this Prospectus:

"**Primary Servicer**" means the provider of the Primary Services which shall be, for so long as a Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Delegate Servicer, or if no Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Master Servicer, or any replacement Primary Servicer.

"**Regulatory Servicer**" means the Master Servicer in its capacity as the provider of the Regulatory Services, or any replacement Regulatory Servicer.

"**Special Servicer**" means the provider of the Special Services which shall be, for so long as a Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Delegate Servicer, or if no Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Master Servicer, or any replacement Special Servicer.

(For further information see "*Delegation by Master Servicer*" immediately below)

Delegation by Master Servicer

The performance of any or all of the Services to be provided by the Master Servicer under the Master Servicing Agreement may (if certain specified conditions are met, and at the cost of the Master Servicer) be delegated to a sub-contractor or delegate of the Master Servicer, without requiring the consent of any other person to such delegation.

Notwithstanding any sub-contracting or delegation of the performance of any of its obligations under the Master Servicing Agreement, the Master Servicer will not be released or discharged from any liability under the Master Servicing Agreement. It will remain responsible for the performance, non-performance or manner of performance of its duties and obligations by any sub-servicer or delegate and shall monitor at its own cost the performance and enforce the obligations of any such sub-servicer or delegate .The sub-contractor or delegate of the Master Servicer shall not have direct recourse to the Issuer in respect of any costs and expenses incurred by it.

Delegate Servicing Agreement

With effect from the Issue Date, the Master Servicer and CBRE Loan Servicing Limited as the delegate servicer (the "**Delegate Servicer**") will enter into the Delegate Servicing Agreement pursuant to which the Master Servicer will delegate and the Delegate Servicer will assume the roles of Primary Servicer and Special Servicer of the Loans. The Master Servicer will monitor the activities of the Delegate Servicer, and the Delegate Servicer will be directly liable to the Master Servicer for the performance of its obligations under the Delegate Servicing Agreement. The Delegate Servicer shall be remunerated for performing the Primary Services and Special Services in accordance with the terms of the Master Servicing Agreement (for further information see "*Servicing Fees*" below). The Delegate Servicer will acknowledge that to the extent no fee is due and payable under the terms of the Master Servicing Agreement for the provision of any service or services from time to time, the Delegate Servicer shall not receive any remuneration for such services. The Delegate Servicer shall be entitled to be reimbursed (with interest thereon) in respect of reasonable out-of-pocket costs, expenses and charges properly incurred by it in the performance of the Primary Services and Special Services. Subject to the Master Servicer being indemnified for the same by the Issuer pursuant to the terms of the Master Servicing Agreement, the Master Servicer will indemnify the Delegate Servicer for any loss or liability to the Delegate Servicer resulting from its participation in the Securitisation other than those losses or liabilities caused by the Delegate Servicer's own negligence, fraud or willful misconduct. The Delegate Servicer may (at its own cost) sub-contract or delegate the performance of any of its obligations under the Delegate Servicing Agreement provided that certain conditions are satisfied including that the prior written consent of the Master Servicer has been obtained. The Delegate Servicer is not permitted to

terminate its appointment before the earlier of the date on which the Notes have been repaid in full and the Final Maturity Date. The Master Servicer (on the instructions of the Issuer or with the consent of the Noteholders), with prior notice to the Rating Agencies, shall be permitted to deliver a termination notice to the Delegate Servicer following the occurrence of a Primary Servicer Termination Event or Special Servicer Termination Event (as applicable) in respect of the Delegate Servicer. For further information on termination rights in respect of the Delegate Servicer in its role as Primary Servicer and/or Special Servicer, see "*Termination of the appointment of the Regulatory Servicer, Primary Servicer or Special Servicer*", "*Rights upon Servicer Termination Event; replacement of Regulatory Servicer, Primary Servicer or Special Servicer*" and "*Termination without cause*" below. The Delegate Servicing Agreement will be governed by Italian law.

The Delegate Servicer may administer other mortgage loans in addition to the Loans. The Delegate Servicer's registered office is at St Martin's Court, 10 Paternoster Row, London EC4M 7HP, United Kingdom.

Servicing Standard

Each of the Regulatory Servicer, Primary Servicer and Special Servicer will be required to perform its duties on behalf of and for benefit of the Issuer in accordance with and subject to the following in order of priority (the "**Servicing Standard**"):

(a) all applicable laws and regulations;

(b) the terms of the relevant Loan Documents;

(c) the terms of the Master Servicing Agreement (as delegated to the Delegate Servicer pursuant to the Delegate Servicing Agreement); and

(d) in each case and to the extent consistent with such terms, the higher of:

  (i) the same manner and with the same skill, care and diligence it applies to servicing similar loans for other third parties; or

  (ii) the standard of care, skill and diligence which it applies in servicing commercial mortgage loans in its own portfolio (if any mortgage loans are held in its own portfolio),

in each case giving due consideration to the customary and usual standards of practice of reasonably prudent commercial mortgage loan servicers servicing commercial mortgage loans which are similar to the Loans, with a view to the timely collection of all scheduled payments of principal, interest and other amounts due in respect of the Loan Portfolio and, if either Loan comes into, and continues to be in, default, maximising recoveries in respect of such Loan on or before the Final Maturity Date for the Issuer.

In applying the Servicing Standard, the Regulatory Servicer, Primary Servicer and Special Servicer (as applicable) will not have regard to:

(a) any fees or other compensation to which it may be entitled; and/or

(b) any relationship it or any of its Affiliates may have with a Borrower or any Affiliate of a Borrower or any party to the transactions entered into in connection with the issue of the Notes; and/or

(c) the ownership of any Note or any interest in a Loan by it or any of its Affiliates.

Other responsibilities of the Master Servicer

In addition to its obligations described above, the Primary Servicer or, if a Loan is a Specially Serviced Loan, the Special Servicer will have certain obligations with respect to managing the interests of the Issuer, the Borrower Facility Agent and the Borrower Security Agent including with respect to any modification, waiver, amendment and/or consent relating to that Loan and taking any actions to realise the relevant Loan Security for that Loan.

The Master Servicer has undertaken to use all due diligence to maintain all accounting records relating to the Loans and to supply all relevant information to the Issuer to enable it to prepare its financial statements.

The Primary Servicer on behalf of the Borrower Facility Agent (i) has undertaken to monitor on a quarterly basis the then current rating of each Borrower Cap Provider and each Borrower Account Bank, (ii) is required to use best endeavours consistent with the Servicing Standard to monitor the compliance of the relevant Borrowers with, the requirements of the relevant Loan Documents regarding the maintenance of insurance on the relevant Property or Properties (see "*Insurance*" below), and to the extent consistent with the Servicing Standard, require that the relevant Borrower or Borrowers maintain insurance coverage required under the relevant Loan Documents.

"**Borrower Account Bank**" means the Franc Borrower Account Bank, or Vanguard Borrower Account Bank, as applicable.

In addition, the Primary Servicer has undertaken to monitor on a quarterly basis (and at any other time upon the request of the Issuer and/or the Regulatory Servicer) the rating of the Liquidity Facility Provider and forthwith notify the Issuer, the Liquidity Facility Provider and the Regulatory Servicer in writing upon becoming aware that the Liquidity Facility Provider has either:

(a) ceased to have any of the LF Required Ratings; or

(b) following the occurrence of an LF Relevant Event, regained the LF Required Ratings.

"**LF Relevant Event**" means any of the following events:

(a) the Liquidity Facility Provider ceasing to have the LF Required Rating; or

(b) the refusal by the Liquidity Facility Provider to grant an extension of the Liquidity Commitment Period or the failure of the Liquidity Facility Provider to respond to an Extension Request within the applicable time periods.

Special Servicer Transfer Event

The Primary Servicer will have sole responsibility to service and administer each Loan until the occurrence of a Special Servicer Transfer Event in relation to that Loan.

Subject to the provisions of the Master Servicing Agreement, a Loan will become subject to a "**Special Servicer Transfer Event**" if any of the following events occurs:

(a) a Loan Event of Default pursuant to a Loan Agreement on a Loan Maturity Date;

(b) the relevant Borrower under a Loan Agreement becoming subject to any of the events listed in clauses 25.6 (*Insolvency*), 25.7 (*Insolvency proceedings*) or 25.8 (*Creditor's process*) of either Loan Agreement;

(c) a Loan Event of Default pursuant to clause 25.6 (*Cross Default*) of either Loan Agreement; or

(d) any other Loan Event of Default as prescribed in the relevant Loan Agreement occurs or is, in the opinion of the Primary Servicer exercised in accordance with the Servicing Standard, imminent and is not likely to be cured within 21 days, and, in each case, which would be likely to have a material adverse effect upon the interests of the Issuer.

Upon determination by the Primary Servicer that a Special Servicer Transfer Event has occurred in respect of a Loan, the Special Servicer will formally assume special servicing duties in respect of that Loan and that Loan will become a "**Specially Serviced Loan**".

Upon determining that the Specially Serviced Loan has become a Corrected Loan, servicing of the relevant Loan will be retransferred and it will become a Corrected Loan. At such time, the Special Servicer's obligation to specially service the relevant Loan and its right to receive the Special Servicing Fee in respect of that Loan will terminate and the obligations of the Primary Servicer fully to service and

administer that Loan will resume (in each case until such time (if any) that a Loan once more becomes a Specially Serviced Loan).

"**Corrected Loan**" means, after a Loan has become a Specially Serviced Loan, discontinuance of any event which would constitute a monetary Special Servicer Transfer Event for two consecutive Loan Interest Periods and the facts giving rise to any other Special Servicer Transfer Event having ceased to exist and, in the opinion of the Special Servicer (acting in good faith), no other matter existing which would give rise to a Loan becoming a Specially Serviced Loan during the current or immediately succeeding Loan Interest Period.

Notwithstanding the appointment of the Special Servicer, the Primary Servicer shall continue to provide the Primary Services in all respects as provided for in the Master Servicing Agreement and will, among other things and without limitation, continue to collect information, prepare reports and perform administrative functions, subject to receipt by it of the required information from the Special Servicer (but will not be subject to any of the duties and obligations of the Special Servicer and shall not be entitled to receive the Special Servicing Fee with respect thereto). Neither the Primary Servicer nor the Special Servicer will have responsibility for the performance by the other of its obligations and duties under the Master Servicing Agreement, nor shall they be responsible for the performance of the Regulatory Services.

Valuations and Appraisals

Pursuant to the Loan Agreements, the Borrower Facility Agent may instruct the Valuer to prepare and deliver a valuation in respect of the Franc Property or Vanguard Properties at any time following the first anniversary of the Franc Utilisation Date or Vanguard Utilisation Date, as applicable, at the Franc Obligors' or Vanguard Obligors' cost (as applicable) unless requested more than once in any 12 month period.

Pursuant to the Master Servicing Agreement, the Primary Servicer shall instruct that the relevant Valuer prepares and issues a valuation in respect of the Franc Property and each Vanguard Property on first anniversary of the Franc Utilisation Date or Vanguard Utilisation Date, as applicable, and thereafter annually on relevant anniversary of the Franc Utilisation Date or Vanguard Utilisation Date, as applicable, or whenever instructed to do so by the Representative of the Noteholders following an Ordinary Resolution of the Noteholders.

If the Primary Servicer or the Special Servicer on behalf of the Borrower Facility Agent determines (acting reasonably and in accordance with the Servicing Standard) that a Default is continuing it shall instruct the relevant Valuer to prepare and issue a valuation in respect of the relevant Property or Properties within the Property Portfolio at the Franc Obligors' or Vanguard Obligors' cost (as applicable).

If the Primary Servicer or the Special Servicer is notified that a Property is the subject of a compulsory purchase, it shall instruct the relevant Valuer to prepare and issue of a valuation in respect of the relevant Property at the Franc Obligors' or Vanguard Obligors' cost (as applicable).

Following receipt of a Valuation in any of the circumstances referred to above, the Primary Servicer or Special Servicer (as applicable) shall

(a) determine whether or not a Valuation Reduction Amount applies to the Loans;

(b) determine whether an Appraisal Reduction has occurred,

and shall notify the Regulatory Servicer who shall notify the Issuer, the Master Servicer and the Representative of the Noteholders and the Liquidity Facility Provider of the occurrence of either forthwith.

If a Valuation Reduction Amount applies to the Loans, the Primary Servicer or Special Servicer (as applicable) shall within 5 Business Days (or as soon as reasonably practicable thereafter, but in any event within 2 Business Days prior to the Calculation Date immediately succeeding the date upon which the Valuation is delivered) notify the Regulatory Servicer who shall notify the Representative of the Noteholders and the Issuer of the Valuation Reduction Amount, upon which the Representative of the Noteholders shall determine which Class of Notes meets the Controlling Class Test and shall notify the Noteholders and the Special Servicer accordingly.

If an Appraisal Reduction occurs in relation to a Loan, the Primary Servicer or Special Servicer (as applicable) shall within 5 Business Days (or as soon as reasonably practicable thereafter but in any event within 2 Business Days prior to the Calculation Date immediately succeeding the date upon which the Valuation is delivered) notify the Issuer and the Calculation Agent of the Appraisal Reduction Factor. The Liquidity Commitment will be reduced by multiplying the Appraisal Reduction Factor by the amount available under the Liquidity Facility and the Calculation Agent shall calculate the consequent reduction in the Liquidity Commitment and within 2 Business Days of receipt of the notification from the Primary Servicer or Special Servicer (as applicable), or in any event by the Calculation Date, notify the Issuer, the Representative of the Noteholders and the Liquidity Facility Provider of the new Liquidity Commitment in accordance with the Liquidity Facility Agreement.

Asset Status Report

Pursuant to the Master Servicing Agreement, if a Special Servicer Transfer Event occurs the Special Servicer shall be required to prepare an asset status report (the "**Asset Status Report**") with respect to the relevant Loan and the relevant Property or Properties not later than 60 days after the occurrence of such Special Servicer Transfer Event, which shall be updated to reflect any material developments or modifications in strategy for so long as the that Loan is a Specially Serviced Loan.

The Master Servicing Agreement shall provide that the Asset Status Report contains the following:

(a) description of the status of the relevant Loan and the relevant Property or Properties, and any strategy with respect to the same and any negotiations with the relevant Borrower or Borrowers;

(b) a consideration of the effect on net present value of the various courses of action with respect to the Loan Portfolio including, without limitation, work-out of the relevant Loan or Loan Security;

(c) a summary of the Special Servicer's recommended actions and strategies with respect to the relevant Loan which, subject to the terms of the Master Servicing Agreement, shall be the course of action that the Special Servicer has determined would maximise recovery on the relevant Loan on a net present value basis; and

(d) details of the most recent relevant Property valuations.

Promptly after the Asset Status Report has been prepared or modified, the Special Servicer shall deliver a copy of each such Asset Status Report to the Regulatory Servicer (who will provide a copy of any such notice to each Rating Agency and the Liquidity Facility Provider). The Special Servicer shall also deliver to the Issuer and the Representative of the Noteholders a draft form of a proposed notice to the Noteholders that will include a summary of the current Asset Status Report, and, following approval by the Representative of the Noteholders and the Issuer, the Issuer will be required to publish such summary in a regulated information service ("**Regulatory Information Service**") filing or equivalent filing, if any, that complies with the requirements of the Irish Stock Exchange and applicable law.

The Special Servicer may, from time to time, modify any Asset Status Report that it has previously delivered and shall modify any such Asset Status Report to reflect any changes in strategy that it considers are required from time to time by the Servicing Standard and shall promptly deliver the modified report to the Regulatory Servicer (who will provide a copy of any such notice to each Rating Agency) and the Liquidity Facility Provider and shall deliver a revised summary of the same to the Issuer and the Representative of the Noteholders, which the Issuer shall publish in compliance with the rules of the relevant exchange.

Insurance

The Primary Servicer will, on behalf of the Issuer, administer the procedures for monitoring compliance by the Borrowers with the maintenance of insurance in respect of, or in connection with, the Loans and the Loan Security. Pursuant to the terms of the Master Servicing Agreement, the Primary Servicer is required to use best endeavours consistent with the Servicing Standard to monitor the compliance of the relevant Borrowers with, the requirements of the relevant Loan Documents regarding the maintenance of insurance on the relevant Property or Properties, and to the extent consistent with the Servicing Standard, require that the relevant Borrower or Borrowers maintain insurance coverage required under the relevant Loan Documents.

To the extent consistent with the Loan Documents, the Primary Servicer is required under the Master Servicing Agreement to use best endeavours consistent with the Servicing Standard to ensure that the relevant Borrower or Borrowers maintain insurance coverage required under the Loan Documents.

If the Primary Servicer becomes aware that either: (a) a Property in the Property Portfolio is not covered by a buildings insurance policy; or (b) a buildings insurance policy may lapse in relation to a Property in the Property Portfolio due to the non-payment of any premium, the Primary Servicer shall use best endeavours (using, if necessary, the proceeds of a Property Protection Drawing), subject always to all applicable laws and regulations and consistent with the Servicing Standard, to procure that buildings insurance is maintained for the Property Portfolio in the form required under the relevant Loan Documents. If any Borrower does not comply with its obligations in respect of any insurance policy, the Primary Servicer may (without any obligation to do so) effect or renew any such insurance policy on behalf of the Issuer (and not in any way for the benefit of that Borrower) and, to the extent permitted under the relevant Loan Documents, the Primary Servicer shall make claim for the moneys expended by the Primary Servicer so effecting or renewing any such insurance from that Borrower. However, the Primary Servicer is not required to pay or instruct payment of any amount described above if, in its reasonable opinion, to do so would not be in accordance with the Servicing Standard. See also "*Risk Factors and Special Considerations – Insurance*".

Each of the Primary Servicer and the Special Servicer will be required to keep in full force and effect throughout the term of the Master Servicing Agreement a policy or policies of insurance covering loss occasioned by the errors, acts and omissions covering its officers, employees and agents in connection with its servicing activities under the Master Servicing Agreement and shall require any delegate servicer from time to time to do the same.

Property Undertakings compliance

If:

(a) the Borrower Facility Agent is entitled to enter a Property and remedy a breach by the relevant Borrower pursuant to the terms of each Loan Agreement; and

(b) there are insufficient funds available in the relevant Borrowers' accounts to pay amounts to remedy or rectify such breach; and

(c) the Primary Servicer determines in accordance with the Servicing Standard that it would be in the better interest of the Issuer, as assignee of the Loan Portfolio, that any amounts required to remedy the default in respect of the Property Portfolio were paid, as opposed to such amounts not being paid, taking into account the relevant circumstances, which will include, but not be limited to, the related risks that the Issuer would be exposed to if such amounts were not paid and whether any payments made by or on behalf of the Issuer would ultimately be recoverable from the relevant Borrower,

then the Primary Servicer may, (but is not obliged to) instruct (and will have the power and authority to instruct) the Issuer (or the Calculation Agent on the Issuer's behalf) to make or fund a Property Protection Advance (subject to the Issuer being able to make a Property Protection Drawing) and use the proceeds thereof to make the relevant payment or payments.

Modifications, waivers, amendments and consents

Subject to (i) any requirements to consult with the Operating Advisor (as to which see section entitled "*Controlling Class and Operating Advisor*" below), and (ii) the requirement to obtain the consent of the Class X Noteholders in respect of a Class X Entrenched Right, the Master Servicing Agreement will permit the Primary Servicer (or in respect of a Specially Serviced Loan) the Special Servicer to consent to any request to modify, waive or amend any term of a Loan Agreement or any other Loan Document on behalf of the Issuer, the relevant Borrower, the Borrower Facility Agent and/or the Borrower Security Agent if such modification, waiver or amendment is in accordance with the Servicing Standard.

The Primary Servicer, (or in respect of a Specially Serviced Loan) the Special Servicer may not extend the Franc Loan Maturity Date or Vanguard Loan Maturity Date to a date less than 30 months prior to the Final Maturity Date unless it has first obtained the Issuer's prior written consent (who has itself obtained the prior written consent of the Representative of the Noteholders).

The Primary Servicer (for so long as a Loan is not a Specially Serviced Loan) or the Special Servicer (for so long as a Loan is a Specially Serviced Loan) is required to notify the Representative of the Noteholders, the Issuer and the Regulatory Servicer (who will provide a copy of any such notice to each Rating Agency), in writing, of any modification, waiver or amendment of any term of a Loan and the date of the modification.

Servicing Fees

On each Note Payment Date, the Issuer shall pay to the Regulatory Servicer a fee ("**Regulatory Servicing Fee**") in respect of the Loans as agreed in a separate fee letter.

On each Note Payment Date, the Issuer shall pay to the Primary Servicer a fee ("**Primary Servicing Fee**") of:

(a) €39,000 (plus VAT, if applicable) or such applicable market rate, if the Primary Services (as may be delegated pursuant to the Delegate Servicing Agreement) are performed by an entity other than the Borrower Facility Agent; or

(b) zero, if the Primary Services (as may be delegated pursuant to the Delegate Servicing Agreement) are performed by the same entity appointed to act as Borrower Facility Agent under the Loans.

On each Note Payment Date on which a Loan is a Specially Serviced Loan, the Issuer shall pay to the Special Servicer a fee ("**Special Servicing Fee**") equal to 0.15 per cent. per annum (plus VAT, if applicable) of the outstanding principal balance of that Loan at the beginning of each Loan Interest Period for each day that it is designated as a Specially Serviced Loan.

The Special Servicing Fee shall accrue on a daily basis over such period and shall be payable on each Note Payment Date commencing with the Note Payment Date immediately following the date on which such period begins and ending on the Note Payment Date immediately following the end of such period. The Special Servicing Fee in respect of a Specially Serviced Loan shall cease to accrue on the date that the Specially Serviced Loan becomes a Corrected Loan.

The Special Servicing Fee shall be paid in addition to the Primary Servicing Fee.

The Borrower Facility Agent is also a party to:

(a) a syndication and securitisation costs letter dated 20 June 2014 (the "**Franc Syndication and Securitisation Costs Letter**") pursuant to which, in respect of the Franc Loan, Franc Bidco has agreed on behalf of, and as agent for, each of the Franc Obligors that the Franc Obligors shall pay (or procure is paid) to any Franc Finance Party, the Special Servicing Fee in respect of the Franc Loan to a maximum amount equal to no more than the lesser of:

(i) 0.15 per cent. of the outstanding balance of that Loan ; and

(ii) €117,656.25 per annum,

in each case plus any VAT (the "**Franc Default Special Servicing Fee**"); and

(b) a syndication and securitisation side letter dated 20 May 2014 as amended on 20 June 2014 (the "**Vanguard Syndication and Securitisation Side Letter**") pursuant to which, in respect of the Vanguard Loan, Vanguard Bidco has agreed on behalf of, and as agent for, each of the Vanguard Obligors that the Vanguard Obligors shall pay (or procure is paid) to any Vanguard Finance Party, the Special Servicing Fee in respect of the Vanguard Loan to a maximum amount equal to no more than the lesser of:

(i) 0.15 per cent. of the outstanding balance of that Loan; and

(ii) €117,656.25 per annum,

in each case plus any VAT (the "**Vanguard Default Special Servicing Fee**").

Pursuant to the Master Servicing Agreement, where the Special Servicing Fee becomes payable in respect of both the Franc Loan and the Vanguard Loan (irrespective of whether or not such Special Servicing Fee becomes payable in respect of the Franc Loan and the Vanguard Loan at the same time), the amount payable by Franc Bidco and Vanguard Bidco in respect of the Franc Default Special Servicing Fee and the Vanguard Default Special Servicing Fee is capped at a maximum amount equal to no more than the lesser of:

(a) 0.15 per cent. of the outstanding balance of the Loans; and

(b) €117,656.25 per annum,

in each case plus any VAT (the "**Default Special Servicing Fee**").

Pursuant to the Master Servicing Agreement, the Borrower Facility Agent agrees that:

(a) The Borrower Facility Agent shall first use best endeavours to recover the Default Special Servicing Fee, the Franc Default Special Servicing Fee or the Vanguard Default Special Servicing Fee (as applicable) from the relevant Franc Obligors and/or Vanguard Obligors (as applicable); and

(b) if the Borrower Facility Agent successfully recovers some or all of the Default Special Servicing Fee, Franc Default Special Servicing Fee or Vanguard Default Special Servicing Fee (as applicable), such amount shall be deducted from the Special Servicing Fee payable by the Issuer.

A liquidation fee (the "**Liquidation Fee**" and, together with the Primary Servicing Fee, the Special Servicing Fee and the Regulatory Servicing Fee, the "**Servicing Fees**")) equal to 0.50 per cent. of the Liquidation Proceeds will be payable to the Special Servicer in accordance with the terms of the Master Servicing Agreement, **provided that** no Liquidation Fee will be payable in respect of Liquidation Proceeds:

(a) where the relevant Loan was a Specially Serviced Loan for a period of fewer than 30 days; or

(b) where a Loan or a Borrower or any relevant part of the Property Portfolio (whether directly or indirectly) is sold to an Affiliate of the Special Servicer.

Pursuant to the Master Servicing Agreement, the Borrower Facility Agent acknowledges that pursuant to:

(a) the Franc Syndication and Securitisation Costs Letter, in respect of the Franc Loan, Franc Bidco has agreed on behalf of, and as agent for, each of the Franc Obligors that the Franc Obligors shall pay (or procure is paid) to any Franc Finance Party, the Liquidation Fee in respect of the Franc Loan to a maximum amount equal to no more than the lesser of:

(i) 0.50 per cent. of the Liquidation Proceeds; and

(ii) €392,187.50,

in each case plus any VAT (the "**Franc Default Liquidation Fee**"); and

(b) the Vanguard Syndication and Securitisation Side Letter, in respect of the Vanguard Loan, Vanguard Bidco has agreed on behalf of, and as agent for, each of the Vanguard Obligors that the Vanguard Obligors shall pay (or procure is paid) to any Vanguard Finance Party, the Liquidation Fee in respect of the Vanguard Loan to a maximum amount equal to no more than the lesser of:

(i) 0.50 per cent. of the Liquidation Proceeds; and

(ii) €392,187.50,

in each case plus any VAT (the "**Vanguard Default Liquidation Fee**").

Pursuant to the Master Servicing Agreement, where the Liquidation Fee becomes payable in respect of both the Franc Loan and the Vanguard Loan, the amount payable in respect of the Franc Default

Liquidation Fee and the Vanguard Default Liquidation Fee is capped at a maximum amount equal to no more than the lesser of:

(a) 0.50 per cent. of the Liquidation Proceeds; and

(b) 392,187.50,

in each case plus any VAT (the "**Default Liquidation Fee**").

Pursuant to the Master Servicing Agreement, the Borrower Facility Agent agrees that:

(a) the Borrower Facility Agent shall first use best endeavours to recover the Default Liquidation Fee, the Franc Default Liquidation Fee or the Vanguard Default Liquidation Fee (as applicable) from the relevant Franc Obligors and/or Vanguard Obligors (as applicable); and

(b) if the Borrower Facility Agent successfully recovers some or all of the Default Liquidation Fee, Franc Default Liquidation Fee or Vanguard Default Liquidation Fee (as applicable), such amount shall be deducted from the Liquidation Fee payable by the Issuer.

The Servicing Fees will cease to be payable in relation to that Loan if any of the following events occur in relation to a Loan:

(a) a Loan is repaid in full; or

(b) a Final Recovery Determination is made with respect to a Loan.

"**Final Recovery Determination**" means a determination by the Special Servicer acting in accordance with the Servicing Standard, that there has been a recovery of all principal, as a result of enforcement proceedings, undertaken in respect of a Loan and other payments or recoveries that, in the Primary Servicer or the Special Servicer's judgment will ultimately be recoverable with respect to a Loan, such judgment to be exercised in accordance with the Servicing Standard.

Pursuant to the Master Servicing Agreement, the Borrower Facility Agent agrees that it will use its best endeavours to recover any Franc Ongoing Costs from the Franc Obligors up to the Franc Maximum Ongoing Costs Amount and any Vanguard Ongoing Costs from the Vanguard Obligors up to the Vanguard Maximum Ongoing Costs Amount.

Servicing costs, expenses and indemnities

On each Note Payment Date, the Primary Servicer, Regulatory Servicer and the Special Servicer shall be entitled to be reimbursed (with interest thereon) in respect of reasonable out-of-pocket costs, expenses and charges properly incurred in the performance of their servicing obligations, including where such costs were incurred in satisfaction of any indemnity provided to the Delegate Servicer as Primary Servicer or Special Servicer under the Delegate Servicing Agreement or where such costs, expenses and/or charges were incurred by the Delegate Servicer as Primary Servicer or Special Servicer directly. Such costs and expenses shall be payable by the Issuer on the Note Payment Date following the Collection Period during which they are incurred by the Primary Servicer or Special Servicer unless otherwise agreed.

Where the Primary Servicer or Special Servicer incurs third party financial advisory fees in connection with a loan modification or consensual restructuring, the Primary Servicer, or Special Servicer (as applicable) shall only be entitled to recover the costs associated with such third party financial advisory fees to the extent that payment by the Issuer of such expenses would not cause an Expenses Shortfall.

The Issuer will indemnify the Master Servicer for any loss or liability to the Master Servicer resulting from its participation in the Securitisation other than those losses or liabilities caused by the Master Servicer's own negligence, fraud or wilful misconduct.

Liability of Regulatory Servicer, Primary Servicer and Special Servicer

None of the Regulatory Servicer, Primary Servicer or the Special Servicer will be responsible for any loss or liability to the Issuer other than those losses caused by its own negligence (*colpa grave*), fraud or wilful misconduct (*dolo*). None of the Regulatory Servicer, Primary Servicer or the Special Servicer will

be negligent if it takes any action in reliance of advice received from any adviser, **provided that** the Regulatory Servicer, Primary Servicer or for so long as a Loan is a Specially Serviced Loan, the Special Servicer, was not fraudulent or negligent in its selection of such adviser and was not aware (nor negligent for not being aware) of any conflict of interest that such adviser might have with respect to the advice being provided where such conflict of interest was a likely source of the loss to the Issuer.

None of the Regulatory Servicer, the Primary Servicer or the Special Servicer will be liable for any obligation of a Borrower under the Loan Agreements or the relevant Loan Security, nor have any liability for the obligations of the Issuer under the Notes or of the Issuer under any documents to which it is a party nor have any liability for the failure by the Issuer to make any payment due by it under the Notes or any documents to which it is a party, save as expressly provided under the Master Servicing Agreement or Delegate Servicing Agreement, as applicable.

Quarterly reporting

The Primary Servicer will deliver to the Calculation Agent, the Regulatory Servicer, the Special Servicer and the Originator on the Loan Payment Report Date, a report in respect of the Loans, for the period from (and including) a Loan Payment Date to (and excluding) the next following Loan Payment Date (the "**Servicer Reporting Period**"), setting forth, among other things, quarterly payments actually received in respect of the Loans as well as both scheduled and unscheduled payments actually received in respect of the Loans (the "**Loan Payment Report**").

Subject to any limitation imposed by applicable law or any confidentiality agreement, during each Servicer Reporting Period the Primary Servicer shall deliver (**provided that**, with respect to the CMSA E-IRP Loan Setup File, the Primary Servicer shall deliver such information, in addition, prior to the first Note Payment Date) to the Issuer, the Calculation Agent, the Regulatory Servicer (who will provide a copy of any such notice to each Rating Agency) and the Special Servicer (and, following a Loan Event of Default, the Representative of the Noteholders) the following reports with respect to the Loans:

(a) a report setting forth, the majority of loan-level information including, cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data ("**CMSA E-IRP Loan Set-up File**");

(b) a report setting forth, quarterly remittances on the Loans as well as the tracking of both scheduled and unscheduled payments on the Loans ("**CMSA E-IRP Loan Periodic Update File**"); and

(c) a report setting forth, among other things, details of any event that would cause the Loans to be included on the servicer watchlist ("**CMSA E-IRP Servicer Watchlist Criteria and Servicer Watchlist File**"),

(together, the "**CMSA European Investor Reporting Package**").

In respect of the CMSA E-IRP Loan Set-up File, any information fields shall be based on information provided by the Borrowers in respect of the immediately preceding Collection Period.

In the case of the CMSA E-IRP Loan Periodic Update File and CMSA E-IRP Servicer Watchlist Criteria and Servicer Watchlist File, any information fields shall be based on information provided by the Primary Servicer (or Special Servicer if a Loan is a Specially Serviced Loan) in respect of the immediately ended Servicer Reporting Period.

The CMSA European Investor Reporting Package shall be in the form prescribed in the standard CMSA European Investor Reporting Package published by the Commercial Real Estate Finance Council Europe from time to time (formally and commonly known as the CMSA Europe Investor Reporting Package) (or as modified to take into account any changes for property portfolio located in Italy).

In addition to the CMSA European Investor Reporting Package, on each Servicer Quarterly Report Date, the Primary Servicer shall provide a report containing the following additional information:

(a) on a Loan in relation to the immediately preceding Collection Period:

(i) information provided by the relevant Borrower or Borrowers pursuant to the financial covenants contained in the relevant Loan Agreement (LTV and ICR) in agreed form;

(ii) general information in relation to the Loans, including interest rate, maturity date, scheduled interest and principal, and actual amounts received during the relevant period; and

(b) on the Property Portfolio (incorporating information provided to the Primary Servicer by the Special Servicer if applicable) in respect of each Servicer Reporting Period:

(i) Property summary by location;

(ii) Property vacancy analysis by square meter;

(iii) summary of the latest electronic valuer review; and

(iv) Tenant concentration analyses,

(such report, together with the CMSA European Investor Reporting Package, the "**Servicer Quarterly Report**").

Such additional information provided by the Primary Servicer may be modified from time to time in the Primary Servicer's sole discretion. The Servicer Quarterly Report may be subject to audit by any auditing firm upon request of the Regulatory Servicer.

The Servicer Quarterly Report shall be made publicly available (as part of the Investor Report) by the Regulatory Servicer at http://www.securitisation-services.com which internet website does not form part of this Prospectus.

A copy of the Servicer Quarterly Report shall be provided to the Originator and the Regulatory Servicer by the Primary Servicer within five Business Days of the Servicer Quarterly Report Date.

Other reporting

The Primary Servicer has agreed to deliver to the Issuer, the Originator, the Calculation Agent, the Regulatory Servicer, the Special Servicer and the Representative of the Noteholders the following reports:

(a) on the Loan Interest Period Date immediately following a modification of a Loan, a report setting forth, among other things, the original and revised terms, as applicable, of (i) that Loan, as of such Loan Interest Period Date and (ii) that Loan as of the Issue Date; and

(b) on the Loan Interest Period Date immediately following a liquidation of a Loan, a report setting forth, among other things, the amount of Liquidation Proceeds and liquidation expenses in connection with the liquidation of that Loan.

and the Regulatory Servicer shall promptly provide each Rating Agency with a copy of the same upon receipt. The Regulatory Servicer shall not be liable for any omission or delay in making available any notice, report, information, which is to be provided to each Rating Agency due to omissions or delays by the Primary Servicer or Special Servicer in providing such notice, report, information or due to administrative or technical failures (including in relation to electronic transmission of information).

The Primary Servicer's ability to provide the reports referred to above may, for so long as a Loan is a Specially Serviced Loan, depend on the timely receipt of the necessary information from the Special Servicer.

In order to assist in its compliance with the European Commission's Market Abuse Directive, the Issuer has instructed the Primary Servicer and Special Servicer to notify it of any information relating to a Loan or any Property, as applicable, that the Primary Servicer or Special Servicer reasonably determines is likely to have a material impact on the value of that Loan or Property and which is not, to the Primary Servicer's or Special Servicer's knowledge, already publicly available information, to the extent that the Primary Servicer or Special Servicer has actual knowledge of the same. Further, the Primary Servicer and the Special Servicer have agreed that they will only withhold information from disclosure to the

extent required by the Servicing Standard or to the extent otherwise restricted by law or agreement, and subject at all times to applicable disclosure requirements under the Market Abuse Directive and relevant implementing measures.

The Issuer will procure that such information is disclosed by making it available to any Regulatory Information Service maintained and/or recognised by the Irish Stock Exchange and to "Company Announcements" at the Irish Stock Exchange. Such information can, as at the date of this Prospectus, be accessed through the "Company Announcements" section of the Irish Stock Exchange's website at www.ise.ie and searching under the name of the Issuer.

The Primary Servicer shall also notify the Rating Agencies if it is notified by a Borrower that any Borrower Affiliate or Investor Affiliate have entered into a Debt Purchase.

"**Debt Purchase**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under a Loan Agreement.

Enforcement of a Loan

If the Primary Servicer determines, in its discretion (which shall be applied in accordance with the Servicing Standard) that a Loan Event of Default has occurred, the Primary Servicer will forthwith give notice to the relevant Borrower or Borrowers and any other party as required under the relevant Loan Documents, with a copy to the Issuer, the Representative of the Noteholders, the Regulatory Servicer (who will provide a copy of any such notice to the Rating Agencies), the Special Servicer and the Operating Advisor (if appointed).

Each of the Primary Servicer or, in respect of a Specially Serviced Loan, the Special Servicer shall determine in accordance with the Servicing Standard, the best strategy for exercising the rights, powers and discretions of the Issuer and the Borrower Security Agent following the occurrence of a Loan Event of Default and shall implement such strategy in accordance with the Servicing Standard. The Special Servicer will document its proposed strategy with the delivery of the Asset Status Report.

As soon as the Primary Servicer or Special Servicer (as applicable) makes a Final Recovery Determination with respect to the relevant Loan, it will promptly notify the Primary Servicer, the Special Servicer, the Regulatory Servicer, the Issuer and the Calculation Agent of the amount of such Final Recovery Determination. The Primary Servicer or Special Servicer (as applicable) shall maintain an accurate record of the Final Recovery Determinations (if any) and the basis of determination thereof.

Each of the Primary Servicer and the Special Servicer shall procure that if, after enforcement of the relevant Loan Security an amount in excess of all sums due from the relevant Borrower or Borrowers (as applicable) under the relevant Loan Documents is recovered or received, the balance (after discharge of all such sums) is paid to the persons entitled thereto pursuant to the terms of the relevant Loan Documents.

At any time after the occurrence of a Special Servicer Transfer Event, the Special Servicer may, if it determines (acting in accordance with the Servicing Standard) that the most appropriate course of action would be to sell the relevant Loan (instead of taking enforcement action in respect thereof), dispose of the relevant Loan on behalf of the Issuer to a third party purchaser (such purchaser cannot be an affiliate of the relevant Borrower) on arm's length terms and for a consideration which the Special Servicer determines is the best price achievable in the market at the time.

Note Maturity Plan

If:

(a) any Loan remains outstanding 30 months prior to the Final Maturity Date; and

(b) in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to such Loan (whether by enforcement of the Loan Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date,

the Special Servicer shall be required to prepare a draft Note Maturity Plan and present the same to the Issuer, the Regulatory Servicer (who shall send such Note Maturity Plan to the Rating Agencies), the Calculation Agent and the Representative of the Noteholders not later than 45 days after the date falling 30 months prior to the Final Maturity Date. The Issuer, with the assistance of the Special Servicer, will publish the Note Maturity Plan with the Regulatory Information Service.

Upon receipt of the draft Note Maturity Plan, the Representative of the Noteholders shall convene, at the cost of the Issuer, a meeting of all Noteholders at which the Noteholders will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with the Special Servicer. Following such meeting, the Special Servicer shall reconsider the Note Maturity Plan and make modifications thereto to address the views of Noteholders (subject to the Servicing Standard) following which it will promptly provide a final Note Maturity Plan to the Issuer, the Regulatory Servicer (who shall send such final Note Maturity Plan to the Rating Agencies) the Noteholders and the Representative of the Noteholders.

Upon receipt of the final Note Maturity Plan, the Representative of the Noteholders shall convene, at the cost of the Issuer, a meeting of the Noteholders of the Most Senior Class of Notes then outstanding at which the Noteholders of the Most Senior Class will be requested to select their preferred option among the proposals set forth in the final Note Maturity Plan. The Special Servicer shall implement the proposal that receives the approval of Noteholders of the Most Senior Class of Notes by way of Ordinary Resolution and shall notify the Regulatory Servicer of such proposal (who shall notify the Rating Agencies of such proposal).

If no option receives the approval of the Noteholders of the Most Senior Class of Notes at such meeting, then the Special Servicer shall be entitled to continue to enforce or workout the Loan in accordance with the Servicing Standard, save that the Special Servicer may not extend the relevant Loan Maturity Date to a date less than 30 months prior to the Final Maturity Date, unless directed by an Ordinary Resolution of the Noteholders of the Most Senior Class of Notes (subject to Rule 19.2 (*Basic Terms Modification*). The Special Servicer shall notify the Regulatory Servicer that no proposal has been approved, and the Regulatory Servicer shall notify the Rating Agencies of the same

Termination of the appointment of the Regulatory Servicer, Primary Servicer or Special Servicer

Each of the Regulatory Servicer, Primary Servicer and Special Servicer may not terminate its appointment before the earlier of the date on which the Notes have been repaid in full and the Final Maturity Date.

The Issuer may terminate (with the consent of the Representative of the Noteholders on the instruction of the Noteholders, and with prior notification to the Rating Agencies) the Regulatory Servicer's appointment in respect of the Regulatory Services and appoint a successor servicer if certain events occur (each a "**Regulatory Servicer Termination Event**") qualified as *giusta causa di revoca del mandato* for the purposes of Articles 1725 and 1726 of the Italian Civil Code). The Regulatory Servicer Termination Events include the following events:

(a) failure on the part of the Regulatory Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 2 (two) Business Days after the due date thereof and cannot be attributed to force majeure;

(b) failure on the part of the Regulatory Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Master Servicing Agreement and the other Issuer Transaction Documents to which it is a party, and the continuation of such failure for a period of 7 (seven) Business Days following receipt by the Regulatory Servicer of written notice from the Issuer requiring remedy of such failure;

(c) any of the representations and warranties given by the Regulatory Servicer, pursuant to the Master Servicing Agreement, has been proved to be untrue, false or deceptive in any material respect;

(d) an Insolvency Event occurs with respect to the Regulatory Servicer;

(e) it becomes unlawful for the Regulatory Servicer to perform or comply with any of its obligations under the Master Servicing Agreement or the other Issuer Transaction Documents to which it is a party; and

(f) the Regulatory Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's regulations for entities acting as servicers in the context of a securitisation transaction.

The following constitute Primary Servicer or Special Servicer, as applicable, termination events under the Master Servicing Agreement (each, a "**Primary Servicer Termination Event**" or "**Special Servicer Termination Event**", as applicable, and, together with the Regulatory Servicer Termination Events, the "**Servicer Termination Events**"):

(a) provided that there are sufficient funds available, any failure by the Primary Servicer or the Special Servicer, to remit any payment required to be made or remitted by it when required to be remitted under the terms of the Master Servicing Agreement by 11:00 a.m., London time, on the first Business Day following the date on which such remittance was required to be made;

(b) any failure by the Primary Servicer or the Special Servicer, to observe or perform in any material respect any other of its covenants or agreements or the material breach of its representations or warranties under the Master Servicing Agreement, which failure will continue unremedied for a period of 30 days after the date on which written notice of such failure is given to the Primary Servicer or, in respect of a Specially Serviced Loan, the Special Servicer, by the Issuer, Representative of the Noteholders or by the Regulatory Servicer, as applicable, to the Primary Servicer or the Special Servicer (as applicable) **provided**, **however**, **that** with respect to any such failure that is not curable within such 30-day period, the Primary Servicer or in respect of a Specially Serviced Loan, the Special Servicer, will have an additional cure period of 30 days to effect such cure so long as it has commenced to cure such failure within the initial 30-day period and has provided the Issuer, the Representative of the Noteholders and the Regulatory Servicer with an officer's certificate certifying that it has diligently pursued, and is continuing to diligently pursue, such cure;

(c) certain events where an order is made or an effective resolution passed for the winding up of the Primary Servicer or Special Servicer;

(d) certain events where the Primary Servicer or the Special Servicer ceases to own the whole or substantially the whole of its business or ceases to own the whole or substantially the whole of its commercial mortgage servicing business;

(e) certain events where:

(i) the Primary Servicer or the Special Servicer stops payment of its debts or the Primary Servicer or the Special Servicer is deemed unable to pay its debts within the meaning of the insolvency laws applicable to such entity or becomes unable to pay its debts as they fall due or otherwise becomes insolvent;

(ii) proceedings are initiated (including the presentation of a petition or filing of documents with the court for administration (other than proceedings for dissolution or winding-up which are contested in good faith and discharged within 60 days or 90 days if such proceedings cannot be discharged within such 60 day period and the Primary Servicer or Special Servicer as applicable has diligently pursued, and continues to pursue, such discharge during such 60 day period)) against the Primary Servicer or the Special Servicer under any applicable laws concerning liquidation, administration, insolvency, examinership, composition or reorganisation (save where such proceedings are frivolous or vexatious or are being contested in good faith by the Primary Servicer or the Special Servicer),

(any such event, a "**Servicer Insolvency Event**");

(f) it becomes unlawful for the Primary Servicer or the Special Servicer, to perform any material part of the services except in circumstances where no other person could perform such material part of the services lawfully; or

(g) the Primary Servicer or the Special Servicer, paying any part of its remuneration under the Master Servicing Agreement, or Delegate Servicing Agreement as applicable to any Noteholder in connection with securing its appointment as such.

Upon the occurrence of any Servicer Termination Event, the Issuer will publish notice of the same in accordance with the Conditions.

The appointment of the person then acting as Special Servicer in relation to a Loan may also be terminated upon the Operating Advisor notifying the Regulatory Servicer, the Issuer and the Representative of the Noteholders in writing that it requires a replacement Special Servicer to be appointed. Any termination of the appointment of the Special Servicer shall be in respect of its role as Special Servicer in relation to both the Franc Loan and the Vanguard Loans. The appointment of the Special Servicer may not be terminated in respect of one Loan only.

Rights upon Servicer Termination Event; replacement of Regulatory Servicer, Primary Servicer or Special Servicer

For so long as a Servicer Termination Event has not been remedied, the Issuer:

(a) may, with the consent of the Representative of the Noteholders on the instruction of the Noteholders (other than the Class X Noteholders), and with prior notification to the Rating Agencies; and

(b) shall, if instructed to do so by the Representative of the Noteholders on the instruction of the Noteholders (other than the Class X Noteholders), and with prior notification to the Rating Agencies,

terminate all the rights and obligations of the Primary Servicer, Special Servicer or Regulatory Servicer, as applicable, under the Master Servicing Agreement and/or the Delegate Servicing Agreement (other than rights and obligations which accrued prior to such termination) pursuant to the terms of the Master Servicing Agreement and/or the Delegate Servicing Agreement (as applicable).

For so long as a Servicer Termination Event has not been remedied, with respect to a Primary Servicer Termination Event or Special Servicer Termination Event, if the Noteholders by way of a separate Ordinary Resolution of each Class of Notes (other than the Class X Notes) direct it to do so, the Representative of the Noteholders (with prior notification to the Rating Agencies) shall instruct the Issuer to terminate all of the rights and obligations of the Primary Servicer or the Special Servicer, as applicable, under the Master Servicing Agreement and/or the Delegate Servicing Agreement, other than the rights and obligations which accrued prior to such termination, and in and to the Loans and the proceeds of the Loans. by notice in writing to the Primary Servicer, or, for so long as a Loan is a Specially Serviced Loan, the Special Servicer, the Regulatory Servicer and the Issuer.

Termination without cause

If the Representative of the Noteholders is directed by each Class of Noteholders (other than the Class X Noteholders) in respect of which no Control Valuation Event has occurred, by separate Ordinary Resolution of each such Class of Noteholders (other than the Class X Noteholders), the Representative of the Noteholders will, upon giving 30 days written notice (and with prior notification to the Rating Agencies), instruct the Issuer to terminate the appointment of the Primary Servicer (and the Primary Servicer must accept such termination) whether or not a Primary Servicer Termination Event has occurred, **provided that** a replacement Primary Servicer is first appointed prior to termination of the appointment.

If the Representative of the Noteholders is directed by each Class of Noteholders (other than the Class X Noteholders) in respect of which no Control Valuation Event has occurred, by separate Ordinary Resolution of each such Class, the Representative of the Noteholders will instruct the Issuer to terminate

(with prior notification to the Rating Agencies) the appointment of the Special Servicer (and the Special Servicer must accept such termination) whether or not a Special Servicer Termination Event has occurred, **provided that** a replacement Special Servicer is first appointed.

Result of Termination

On termination of the appointment of the Master Servicer as Primary Servicer or Special Servicer, where the Primary Services and the Special Services (as may be delegated pursuant to the Delegate Servicing Agreement or any other delegation agreement in accordance with this Agreement) are performed by the same entity that is then performing the roles of Borrower Facility Agent and Borrower Security Agent under Franc Loan Agreement and the Vanguard Loan Agreement, the Issuer shall terminate the appointment of the Borrower Facility Agent and the Borrower Security Agent under both Loan Agreements. The termination of the Master Servicer as Primary Servicer and Special Servicer under this Agreement shall not be effective until all such appointments are terminated in accordance with the relevant Loan Agreement.

The Issuer undertakes to:

(a) use its best efforts to ensure at all times that the entity performing the Primary Services or Special Services (as may be Delegated pursuant to the Delegate Servicing Agreement or any other delegation agreement in accordance with this Agreement) is the same legal entity as is performing the roles of Borrower Facility Agent and Borrower Security Agent under Franc Loan Agreement and the Vanguard Loan Agreement and

(b) procure that any replacement Borrower Facility Agent and Borrower Security Agent that is appointed shall accede to this Agreement as Borrower Facility Agent and Borrower Security Agent, and shall enter into the relevant Powers of Attorney in favour of the Master Servicer.

Upon any termination of the Regulatory Servicer, the Primary Servicer or the Special Servicer as applicable, or appointment of a substitute Regulatory Servicer, a substitute Primary Servicer or substitute Special Servicer as applicable, the Issuer will publish written notice of such termination and/or appointment in accordance with the Conditions.

No termination of the appointment of, resignation or removal of the Regulatory Servicer, the Primary Servicer or the Special Servicer, as applicable, under the Master Servicing Agreement will be effective unless:

(a) a qualified substitute Regulatory Servicer, substitute Primary Servicer or substitute Special Servicer, as applicable, is appointed which has experience in servicing mortgages of commercial property on similar terms to that required under this Agreement;

(b) such substitute Regulatory Servicer, substitute Primary Servicer or substitute Special Servicer, as applicable, is approved by the Issuer (having itself obtained the prior written approval of the Representative of the Noteholders, with prior written notification to the Rating Agencies, such approval in each case not to be unreasonably withheld);

(c) the substitute Regulatory Servicer, substitute Primary Servicer or substitute Special Servicer, as applicable, agrees in writing to be bound by the terms of this Agreement and the other Issuer Transaction Documents in such capacity or enters into an agreement substantially on the terms of this Agreement and agrees to accede to the Intercreditor Agreement and to accept notice under the Deed of Pledge;

(d) the fee payable to the substitute regulatory servicer, the substitute primary servicer or substitute special servicer, as applicable, will not, without the prior written consent of the Issuer, exceed the rate payable to the Regulatory Servicer, the Primary Servicer or the Special Servicer pursuant to the Master Servicing Agreement and in any event will not exceed the rate then generally payable to providers of commercial loan servicing services; and

(e) such appointment is effective no later than the date of termination of the outgoing Regulatory Servicer, Primary Servicer or Special Servicer.

If no substitute Regulatory Servicer, substitute Primary Servicer or substitute Special Servicer, as applicable, is appointed within 60 days of the termination of appointment of the Regulatory Servicer, the Primary Servicer or in respect of a Specially Serviced Loan, the Special Servicer, as applicable, the Primary Servicer may appoint, or may petition a court of competent jurisdiction to appoint, such a replacement

Resignation of the Master Servicer

If:

(a) a Primary Servicer Termination Event or Special Servicer Termination Event occurs in respect of the Delegate Servicer; and

(b) the Master Servicer is unable to deliver a termination notice in respect of the Delegate Servicer under the terms of the Delegate Servicing Agreement (because the Issuer has refused to give its instructions to do so and the Master Servicer has sought and failed to obtain Noteholder consent to the same),

then the Master Servicer shall be permitted to tender its resignation under the Master Servicing Agreement **provided that** the conditions for the appointment of a substitute servicer set out in the immediately preceding paragraph have been met and **provided further that** any substitute Master Servicer has acceded to the Delegate Servicing Agreement as Master Servicer and executed all other documentation (including any powers of attorney) required in order to ensure that any delegate servicing arrangement in place at that time survives such resignation wholly intact, suffers no interruption and is not otherwise impaired or affected by such resignation.

Resignation of the Borrower Facility Agent and Borrower Facility Agent

The Borrower Facility Agent and the Borrower Security Agent confirm that they shall not resign from their role as the Borrower Facility Agent and the Borrower Security Agent in respect of one Loan Agreement without simultaneously resigning from their role as the Borrower Facility Agent and the Borrower Security Agent in respect of the other Loan Agreement.

Controlling Class and Operating Advisor

The most junior Class of Notes (other than the Class X Notes) outstanding shall be the "**Controlling Class**" if at the relevant time it meets the "**Controlling Class Test**". A Class of Notes will meet the Controlling Class Test if, at the relevant time, (i) its Principal Amount Outstanding is equal to or exceeds 25 per cent. of the Principal Amount Outstanding of such Class of Notes on the Issue Date and (ii) a Control Valuation Event is not continuing in respect of that Class of Notes.

A "**Control Valuation Event**" will occur with respect to any class of Notes (other than the Class X Notes) if and for so long as:

(a) the difference between:

(i) the sum of (A) the then Principal Amount Outstanding of such class of Notes (other than the Class X Notes) and (B) the then Principal Amount Outstanding of all classes of Notes ranking junior to such class; and

(ii) the sum of (A) any Valuation Reduction Amounts with respect to the Loans; and (B) without duplication, losses realised with respect to any enforcement of security in respect of the Property Portfolio,

is less than

(b) 25 per cent. of the then Principal Amount Outstanding of such class of Notes (other than the Class X Notes).

A "**Valuation Reduction Amount**" with respect to the Loans will be an amount equal to the excess of:

(a) the outstanding principal balance of the Loans; over

(b) the excess of:

(i) 90 per cent. of the sum of the values set forth in the most recent Valuations (including all reserves or similar amount which may be applied toward payments on the Loans) excluding the values of any Property within the Property Portfolio no longer held by a Borrower as at the testing date above

(ii) the sum of:

(A) all unpaid interest on the Loans;

(B) any other unpaid fees, expenses and other amounts that are payable prior to amounts payable to the Issuer under the Loans; and

(C) all currently due and unpaid ground rents and insurance premia and all other amounts due and unpaid with respect to the Loans.

The Valuation Reduction Amount will be redetermined on each occasion on which an updated Valuation is obtained, by reference to such Valuation.

If the most junior Class of Notes outstanding (other than the Class X Notes), does not meet the Controlling Class Test, the next most junior Class of Notes outstanding (other than the Class X Notes), that does meet the Controlling Class Test, will be the Controlling Class. If no Class of Notes has a Principal Amount Outstanding that satisfies the Controlling Class Test then the Controlling Class will be the Most Senior Class of Notes then outstanding. The Principal Amount Outstanding of a Class of Notes for the purposes of calculating the Controlling Class Test shall be the Principal Amount Outstanding of such Class less any Valuation Reduction Amounts and any NAI Shortfall Amount that has been applied to that Class.

The Representative of the Noteholders shall determine which Class of Notes meets the Controlling Class Test and shall notify the Primary Servicer and the Special Servicer accordingly.

The Controlling Class will have the right, acting by Ordinary Resolution, to elect and appoint an adviser (the "**Operating Advisor**") to represent its interests and consult with the Primary Servicer or the Special Servicer acting in relation to the Loans. The appointment of the Operating Advisor will be deemed effective upon written notification by the Controlling Class to the Representative of the Noteholders. The Operating Advisor will, subject to certain conditions being met, be entitled to require the Issuer to terminate the appointment of and replace the Special Servicer and will also have the right to be consulted with respect to certain matters relating to the servicing and enforcement of the Loans. See "*Operating Advisor*" below.

Operating Advisor

Any Operating Advisor appointed by the Controlling Class will be entitled to require the Issuer to terminate the appointment of and replace the person acting as the Special Servicer under the Master Servicing Agreement subject to certain limitations as set out in the Master Servicing Agreement, including that:

(a) no termination of the appointment of the Special Servicer will be effective until a qualified substitute special servicer will have been appointed and agreed to be bound by any relevant documents, such appointment to be effective not later than the date of termination;

(b) such termination or replacement does not cause the then current rating of the Notes of any Class to be downgraded, withdrawn or qualified, unless the substitute Special Servicer has been appointed by an Extraordinary Resolution of the Noteholders of each Class of Notes.

Any termination of the appointment Special Servicer by the Issuer on the instruction of the Controlling Class shall be in respect of its role as Special Servicer in relation to both the Franc Loan and the Vanguard Loan. The appointment Special Servicer may not be terminated in respect of one Loan only.

The Operating Advisor will also have the right to be consulted on certain matters relating to the servicing and enforcement of the Loans. The Primary Servicer or, in respect of a Specially Serviced Loan, the

Special Servicer must consult with and give prior notice to the Operating Advisor if it intends to take certain decisions in relation to the Loans or the Loan Security, including:

(a) exercising any consent or approval right or agreeing to waive or amend a Loan Agreement if the effect of such consent, waiver or amendment would be:

(i) to change the date on which any principal or interest is due to be paid by a Borrower or the timing of any principal or interest;

(ii) to amend any principal amount or the interest rate payable on a Loan;

(iii) bring forward (except in connection with an acceleration of a Loan) a Loan Maturity Date;

(iv) to reduce or waive any interest, principal, prepayment fee, late payment charge or default interest due under a Loan Agreement;

(v) to permit a Borrower to incur any further indebtedness, other than as permitted by a Loan Agreement;

(vi) to change the currency of any payment due under a Loan Agreement;

(vii) to release a Borrower (or any other obligor obliged to provide security or make payment under a Loan Agreement) from any of its obligations under or in respect of the relevant Loan Documents (other than in circumstances which are contemplated by that Loan Agreement);

(viii) to release or substitute any part of the relevant Loan Security or a Property (other than in circumstances which are contemplated by that Loan Agreement);

(ix) to change the method of calculation of any interest or principal; or

(x) to make an amendment to a Loan Documents not described above which the Primary Servicer or, in respect of a Specially Serviced Loan the Special Servicer, considers to be material;

(b) to commence formal enforcement proceedings in respect of a Loan or the relevant Loan Security; or

(c) to commence a loan sale process as described in "*Enforcement of a Loan*" above.

At the same time as notifying the Operating Advisor of its intention to take any action referred to immediately above, the Primary Servicer shall notify the Regulatory Servicer (who shall send such notifications to the Rating Agencies) and the Special Servicer or (as applicable) the Special Servicer shall notify the Primary Servicer and the Regulatory Servicer (who shall send such notifications to the Rating Agencies), as applicable, thereof.

Following such notice, the Primary Servicer or, as the case may be, the Special Servicer is not permitted to take the relevant action until the earlier of (a) the day falling five Business Days after the notice; and (b) the date on which the Operating Advisor confirms that the Primary Servicer or Special Servicer may proceed in accordance with the proposals contained in such notice. If, prior to the day falling five Business Days after such notice, the Operating Advisor notifies the Primary Servicer or the Special Servicer that it disapproves of the proposed course of action, it must suggest to the Primary Servicer or Special Servicer, as applicable, alternative courses of action. Within five Business Days thereafter, the Primary Servicer or the Special Servicer must submit to the Regulatory Servicer (who shall send such proposal to the Rating Agencies) and the Operating Advisor a revised proposal which must, to the extent that such proposals are not inconsistent with the Servicing Standard, incorporate the alternatives suggested by the Operating Advisor.

The Primary Servicer or, as applicable, the Special Servicer must continue to revise its proposals in the manner described in the preceding paragraph until the earliest of:

(a) the delivery by the Operating Advisor of an approval in writing of such revised proposal;

(b) failure by the Operating Advisor to disapprove of such revised proposal in writing by the fifth Business Day after its delivery to the Operating Advisor; and

(c) the passage of 30 days from the date of preparation of the first version of the proposal submitted by the Primary Servicer or the Special Servicer (following which the Primary Servicer or the Special Servicer (as applicable) may take such action as it deems appropriate acting in accordance with the Servicing Standard).

Notwithstanding any of the foregoing requirements, no right of an Operating Advisor to be consulted in connection with any Loan or to approve or disapprove of any action of the Primary Servicer or the Special Servicer, as applicable, shall permit the Primary Servicer or the Special Servicer from taking any action or to refrain from taking any action which, in the opinion of the Primary Servicer, or Special Servicer, would cause the Primary Servicer or Special Servicer, as applicable, to violate the Servicing Standard, and the Primary Servicer or the Special Servicer shall not refrain from taking any action pending receipt of any proposals, if in the opinion of the Primary Servicer, or Special Servicer, immediate action is necessary to comply with the Servicing Standard.

The taking of any action prior to the receipt of the Operating Advisor's approval thereof or in a manner which is contrary to the directions of, or disapproved by, the Operating Advisor shall not constitute a breach by the Primary Servicer or the Special Servicer of the Master Servicing Agreement so long as such action was required by the Servicing Standard. If, in order to comply with the requirements described in this paragraph, the Primary Servicer or the Special Servicer takes action prior to receiving a response from the Operating Advisor and the Operating Advisor objects to such actions within five Business Days after being notified of such action and being provided with all reasonably requested information, the Primary Servicer or, as the case may be, the Special Servicer must (subject always to the foregoing requirements described in this paragraph) take due account of the advice and representations made by the Operating Advisor regarding any further steps that should be taken.

C The Cash Allocation, Management and Payments Agreement

On or about the Issue Date, the Issuer, the Master Servicer, the Delegate Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Issuer Account Bank and the Paying Agent will enter into the Cash Allocation, Management and Payments Agreement.

Under the terms of the Cash Allocation, Management and Payments Agreement:

(a) the Issuer Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Issuer Collection Account, the Issuer Expenses Account, the Issuer Payments Account, the Class X Account and such other accounts may be required including, if required, an Issuer Standby Account (the "**Issuer Accounts**");

(b) the Issuer Account Bank will provide the Issuer with certain reporting services together with account handling and payment services in relation to monies from time to time standing to the credit of the Issuer Payments Account;

(c) the Corporate Servicer has agreed to operate the Issuer Expenses Account held with the Issuer Account Bank in accordance with the instructions of the Issuer;

(d) the Calculation Agent has agreed to provide the Issuer with the Calculation Agent Quarterly Report (which will have been approved by the Master Servicer);

(e) the Paying Agent has agreed to provide the Issuer with certain payment services together with certain calculation services in relation to the Notes.

Issuer Accounts

The Issuer Payments Account held with the Issuer Account Bank shall be opened in the name of the Issuer and shall be operated by the Issuer Account Bank and the amounts standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Issuer Account Bank has agreed to comply with any direction of the Issuer (also through the Calculation Agent and the Corporate Servicer) (prior to the delivery of a Note Enforcement Notice) or the Representative of the Noteholders (following the delivery of a Note Enforcement Notice) to effect payments from the Issuer Accounts if such direction is made in accordance with the Cash Allocation, Management and Payments Agreement and the mandate governing the applicable account.

If an Issuer Standby Account is opened, the Issuer shall provide security over such account (to the extent necessary in order to maintain the relevant rating on the Notes).

Operation of Issuer Accounts

The Calculation Agent will undertake with the Issuer and the Representative of the Noteholders that in performing the services to be performed by it and in exercising its discretions under the Cash Allocation, Management and Payments Agreement, the Calculation Agent will perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the transaction and that it will comply with any directions, orders and instructions which the Issuer or the Representative of the Noteholder may from time to time give to the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

Calculation of amounts and payments

On each Calculation Date, the Calculation Agent is required to determine all amounts due in accordance with the relevant Priority of Payments (other than those amounts of interest payable on the Notes to be determined by the Paying Agent) on the forthcoming Note Payment Date and the amounts available to make such payments. In addition, the Calculation Agent will calculate the Note Factor for each Class of Notes for the Note Interest Period commencing on the next following Note Payment Date and the amount of each principal payment (if any) due on each Class of Notes on the next following Note Payment Date, in each case pursuant to Condition 8.9 (*Principal Amount Outstanding and Note Factor*).

The Calculation Agent will prepare the Calculation Agent Quarterly Report on the basis of which the Issuer will:

(a) make all Liquidity Drawings and/or Standby Drawings;

(b) from time to time, pay all payments and expenses required to be paid by the Issuer to third parties by way of the relevant Priority of Payments or otherwise; and

(c) make all payments required to carry out an optional redemption of Notes pursuant to Condition 8.4 (*Optional redemption*) or Condition 8.5 (*Optional redemption for taxation reasons*) in each case according to the provisions of the relevant Condition.

If the Master Servicer or the Delegate Servicer, as the case may be, fails to deliver the Loan Payment Report and/or the Servicer Quarterly Report in accordance with the Master Servicing Agreement, the Calculation Agent in the relevant Calculation Agent Quarterly Report shall consider, for the purpose of determining the Issuer Available Funds to be applied on the immediately following Note Payment Date, all the amounts standing to the credit of the Issuer Collection Account (as resulting from the latest Calculation Agent Quarterly Report and will set its determinations so to provide for the payment of any amounts due in respect of the Most Senior Class of Notes, in accordance with the relevant Priority of Payments, in order not to incur in any Note Event of Default. In doing so, the Calculation Agent will not be liable to any person for the accuracy of such determinations save where such liabilities are suffered or incurred as a result of any fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Calculation Agent.

Reporting

The Calculation Agent will on the Calculation Date prepare and deliver to the Issuer, the Master Servicer, Delegate Servicer, the Corporate Servicer, the Agents and the Rating Agencies a statement in respect of the current Note Interest Period in which it will notify the recipients of, among other things, all amounts received in the Issuer Accounts, all payments to be made and any other apportionments to be made with respect thereto on the immediately following Note Payment Date including but not limited to:

(a) any interest and principal payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

(b) any Administrative Fees;

(c) any Class X Interest Amount;

(d) any Note Premium Amount;

(e) any Allocated Note Prepayment Fee Amount, Class X1 Allocated Note Prepayment Fee Amount;

(f) any payment of Deferred Interest;

(g) any Subordinated Class X Amount;

(h) any Class B Interest Cap, Class C Interest Cap, Class D Interest Cap or Class E Interest Cap to be applied to the interest payable on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as applicable;

(i) any credits to the Default Interest Ledger;

(j) any NAI Shortfall Amount, NAI Interest Amount, and any NAI Unpaid Amount;

(k) any Liquidity Drawings; and

(l) any amounts to be paid to the Liquidity Facility Provider including any interest on the Liquidity Drawings.

(the "**Calculation Agent Quarterly Report**").

On each Investor Report Date the Calculation Agent will make available electronically to the Issuer, the Master Servicer, the Delegate Servicer, the Corporate Servicer, the Originator, the Paying Agent, the Representative of the Noteholders and the Rating Agencies each Investor Report. The Investor Report comprises the Calculation Agent Quarterly Report scheduling the Servicer Quarterly Report (together the "**Investor Report**")) at http://www.securitisation-services.com.

It is agreed and understood that the Calculation Agent or the Issuer shall not be liable for any omission or delay in making available such Investor Report which is due to electronic or technical inconveniences relating to or connected with the internet network or the relevant website or which is not due to wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of any of the Calculation Agent or the Issuer, as the case may be.

It is not intended that the Calculation Agent Quarterly Reports will be made available in any other format, save in certain limited circumstances with the Calculation Agent's agreement. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

Fees

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will pay to the Agents on each Note Payment Date a fee as agreed between the Issuer and the relevant Agent and will reimburse the Agents for all reasonable out-of-pocket costs, expenses and charges properly incurred by the relevant party in the performance of its duties in accordance with the terms of the Cash Allocation, Management and Payments Agreement.

Termination of appointment

The Issuer may (with the prior approval of the Representative of the Noteholders and with notice to the Rating Agencies) revoke its appointment of any of the Calculation Agent, Paying Agent and Issuer Account Bank (each an "**Agent**") by giving not less than 60 days written notice. The Issuer may terminate the appointment of any Agent if material default is made by Agent in the performance of its obligations under the terms of the Cash Allocation, Management and Payments Agreement or any of the representations and warranties given by it under the Cash Allocation, Management and Payments Agreement proves to be untrue and the Representative of the Noteholders is of the opinion that such default, or such representation or warranty being untrue is materially prejudicial to the interests of the holders of the Notes outstanding, and where such default (except where in the sole opinion of the Representative of the Noteholders, such default is incapable of remedy, in which case, no notice requiring remedy shall be required) continues unremedied for a period of 30 days after the earlier of (i) such Agent becoming aware of such default and (ii) receipt by such Agent of a written notice from the Representative of the Noteholders requiring the same to be remedied. No revocation or termination of the appointment of any Agent shall take effect until a successor, approved by the Representative of the Noteholders, has been duly appointed. The appointment of each Agent shall terminate forthwith: (i) an Insolvency Event occurs in relation to it; or (ii) any Agent that is required to be an Eligible Institution ceases to have the required rating; or (iii) the Notes have been redeemed in full or cancelled; or (iv) it is rendered unable to perform its obligations for a period of 30 days by circumstances beyond its control. Upon termination, the provisions and the consequences of article 1456 of the Italian Civil Code shall apply. Each Agent may resign from its appointment, upon giving not less than three months' (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders. Such resignation will not take effect until a substitute Agent has been appointed by the Issuer on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement.

Agent's Required Rating

The Cash Allocation, Management and Payments Agreement also requires that the Issuer Account Bank and the Paying Agent is an Eligible Institution.

"**Eligible Institution**" means any depository institution, organised under the laws of any state which is a member of the European Union, whose:

(a) long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "A" by Fitch and "A" by DBRS; and

(b) short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "F1" by Fitch and "R-1 (High)" by DBRS.

If any Agent other than the Calculation Agent ceases to be an Eligible Institution, the relevant Agent will give written notice of such event to the Issuer, the Master Servicer, the Delegate Servicer, the Rating Agencies and the Representative of the Noteholder. The Issuer Account Bank will, within 30 days of ceasing to be an Eligible Institution, procure the transfer of any account held by the Issuer with the Issuer Account Bank to another bank that is an Eligible Institution after having obtained the prior written consent of the Issuer and the Representative of the Noteholder and subject to establishing substantially similar arrangements to those obligations of the relevant Agent contained in the Cash Allocation, Management and Payments Agreement. If the Paying Agent ceases to be an Eligible Institution, within 30 days from the occurrence of such event, the Issuer shall select another bank, which shall be an Eligible Institution and shall assume the role of Paying Agent upon the terms of the Cash Allocation, Management and Payments Agreement.

The Cash Allocation, Management and Payments Agreement and any non – contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

D The Intercreditor Agreement

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds

from collections in respect of the Loans and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Loans.

In the Intercreditor Agreement the Other Issuer Creditors have agreed, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds and that the obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Issuer Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, following the service of a Note Enforcement Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of the Loans.

In addition, the Intercreditor Agreement provides that, notwithstanding the terms of any related Issuer Transaction Documents or other provisions of the Intercreditor Agreement, if any action under any Issuer Transaction Documents or the Intercreditor Agreement requires a rating agency confirmation (the "**Rating Agency Confirmation**") as a condition precedent to such action, if the party (the "**Requesting Party**") attempting to obtain such Rating Agency Confirmation from each Rating Agency has made a request to any Rating Agency (the "**RAC Request**") for such Rating Agency Confirmation and, within 10 Business Days of the RAC Request, such Rating Agency has not replied to such request or has responded in a manner that indicates that such Rating Agency is neither reviewing such request nor waiving the requirement for a Rating Agency Confirmation, then with respect to any such condition in any Issuer Transaction Document requiring such Rating Agency Confirmation, the Requesting Party shall made a new RAC Request (the "**Second RAC Request**"). If within 5 Business Days from the Second RAC Request such Rating Agency has not replied to such request or has responded in a manner that indicates that such Rating Agency is neither reviewing such request nor waiving the requirement for a Rating Agency Confirmation, then the Requesting Party shall determine, in accordance with its duties under the relevant Issuer Transaction Document, whether or not such action would be in the best interests of the Noteholders, and if the Requesting Party determines that such action would be in the best interest of such parties, then the requirement for a Rating Agency Confirmation will be deemed not to apply.

The Intercreditor Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

E **The Mandate Agreement**

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement under which, subject to a Note Enforcement Notice being served upon the Issuer or upon failure by the Issuer to exercise its rights under the Issuer Transaction Documents within 10 days from the notification of such failure, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non monetary rights (with exclusion of the rights pertaining to the collection and recovery activities carried out by the Master Servicer in accordance with the Master Servicing Agreement) arising out of the Issuer Transaction Documents to which the Issuer is a party. It remains understood that if the Issuer fails to timely exercise any and all of its rights for the benefit of the Other Issuer Creditors and the Noteholders, the mandate shall only produce its effects in relation to those Issuer Transaction Documents with reference to which the Issuer's default has occurred.

The Mandate Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

F **The Deed of Pledge**

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Deed of Pledge under which, without prejudice and in addition to any security, guarantee and other right provided by the Italian Securitisation Law securing the discharge of the Issuer's obligations to the Noteholders, the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors all monetary claims and rights and all the amount (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled to from time to time pursuant to certain Issuer Transaction Documents, with the exclusion of the Loan Portfolio. The security created pursuant to the Deed of Pledge

will become enforceable upon the service of a Note Enforcement Notice. Upon the service of such notice, the Secured Creditors, acting through the Representative of the Noteholders, shall be entitled, for the purpose of enforcing the Security Interest, to serve on the Pledgor a request for payment of all the sums due up to the occurrence of such event in relation to the Secured Obligations within 5 (five) Business Days, stating that the failure to do so may result in the enforcement of all or part of the Security Interest created pursuant to the Deed of Pledge.

The Deed of Pledge and any non – contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

G **The Liquidity Facility Agreement**

On or prior to the Issue Date, the Issuer will enter into the Liquidity Facility Agreement. If the Liquidity Facility Provider does not intend to renew its commitment under the Liquidity Facility Agreement (the "**Liquidity Facility**"), it will inform the Calculation Agent, the Issuer (who shall inform the Rating Agencies) and the Representative of the Noteholders, upon which the Liquidity Facility Provider shall (without being under any obligation to do so) use its reasonable endeavours to arrange for a replacement Liquidity Facility Provider. The Calculation Agent shall promptly notify the Rating Agencies of any renewal request made or agreed to or any renewal refusal by the Liquidity Facility Provider. The Liquidity Facility Provider is not obliged to agree to extend the Liquidity Commitment Period and in no event may the Liquidity Commitment be extended beyond the earlier of (i) the date on which all the Notes (other than the Class E Notes and the Class X Notes) have been redeemed in full, and (ii) the Final Maturity Date.

"**Liquidity Commitment Period**" means a period of 364 days from the Liquidity Facility Agreement or, if the Liquidity Facility Agreement is extended pursuant to the terms of the Liquidity Facility Agreement, the date set out in the relevant Renewal Request or, if such date is not a Business Day, the preceding Business Day.

Liquidity Drawings and Standby Drawings may only be drawn in euro.

The Liquidity Facility

As of the Issue Date, the Liquidity Commitment is €16,450,000 (the "**Original Liquidity Commitment**"). At no time shall the Liquidity Facility Provider be obliged to lend more than the Liquidity Commitment which applies at that time. The obligation of the Liquidity Facility Provider to make a loan under the Liquidity Facility Agreement is subject to the further condition precedent that on both (i) the date any request is made for a drawing and (ii) the relevant drawdown date for that Liquidity Facility Loan, no Liquidity Facility Event of Default is continuing or would result from the making of the Liquidity Facility Loan and no Liquidity LTV Breach has occurred.

A "**Liquidity LTV Breach**" will occur if, at any time, the principal amount outstanding on the Notes, together with the aggregate of:

a) all unpaid costs and expenses due to the finance parties under the Loan Agreements (including any due to any receiver or delegate);

b) all amounts then due or accrued but unpaid which comprise items (a) to (e) of the Pre Note Enforcement Notice Interest Priority of Payments or the Pre Note Enforcement Notice Expected Maturity Priority of Payment, as applicable;

c) without double counting, all amounts due or accrued but unpaid to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than Liquidity Subordinated Amounts);

d) an amount equal to the undrawn Liquidity Commitments following any Liquidity Drawing made on the relevant Note Payment Date; and

e) all interest amounts accrued but unpaid to Notes (other than the Class X Notes),

as a percentage of the aggregate market value of the Properties (determined in accordance with the most recent Valuation of the Properties at that time) is more than 150 per cent.

The maximum aggregate principal amount available for drawdown under the Liquidity Facility will decrease as the Principal Amount Outstanding of the Class A Notes decreases subject to the Minimum Commitment. If on any Calculation Date:

(a) all the Liquidity Drawings already made (if any) have been fully repaid under the terms of the Liquidity Facility Agreement; and

(b) the Principal Amount Outstanding of the Class A Notes is less than the original Principal Amount Outstanding of the Class A Notes on the Issue Date as a result of the application of Principal Available Funds in redemption of the Notes in accordance with the Conditions, then the Liquidity Commitment ("**Liquidity Commitment**") will be re-calculated as follows:

$$\text{Liquidity Commitment} = \text{Original Liquidity Commitment} \times \left[\frac{\text{Current Principal Amount Outstanding of the Class A Notes}}{\text{Principal Amount Outstanding at the Issue Date of the Class A Notes}} \right]$$

Provided that the Liquidity Commitment shall not be decreased below the Minimum Commitment at any time prior to redemption in full of each Class of Notes (other than the Class E Notes or the Class X Notes).

"**Minimum Commitment**" means an amount equal to 11.4 per cent. of the Class of Notes with the highest Principal Amount Outstanding of the then outstanding Classes of Notes (other than the Class E Notes or the Class X Notes).

Following redemption in full of the Class A Notes, the Liquidity Commitment will be equal to the Minimum Commitment from time to time.

In addition, the Liquidity Commitment will be reduced if an Appraisal Reduction occurs in relation to the Loans by multiplying the Appraisal Reduction Factor by the amount then available under the Liquidity Facility. If an Appraisal Reduction occurs in relation to a Loan, the Calculation Agent shall calculate and confirm the new Liquidity Commitment in writing to the Issuer and the Representative of the Noteholders through the Calculation Agent Quarterly Report and separately to the Liquidity Facility Provider in writing.

"**Appraisal Reduction**" means, following receipt of the Valuations by the Primary Servicer, an amount equal to the excess, if any, of: (i) the sum of the outstanding principal balance of the Loans as at the date of the most recent Valuation, all unpaid interest thereon, all currently due and unpaid Taxes and assessments (net of any amount escrowed for such items) and insurance premiums, over (ii) 90 per cent. of the appraised value of the Property Portfolio as determined by the most recent Valuations.

"**Appraisal Reduction Factor**" means an amount obtained by dividing (i) (x) the aggregate principal balance outstanding of the Loans as of the date of the occurrence of the relevant Appraisal Reduction, less (y) the Appraisal Reduction, by (ii) the aggregate principal balance outstanding of the Loans as of the date of occurrence of the relevant Appraisal Reduction.

Purpose

The Liquidity Facility may be used to remedy an Expenses Shortfall or an Interest Shortfall or a Property Protection Shortfall. A Property Protection Shortfall, an Expenses Shortfall and an Interest Shortfall are each referred to in this Prospectus as, a "**Shortfall**".

The Liquidity Facility cannot be drawn to cover shortfalls in funds available to the Issuer to pay any amounts in respect of interest on any Class of Notes other than the Most Senior Class of Notes, principal, Allocated Note Prepayment Fee Amount, the Note Premium Amount, any NAI Interest Amount or any Accrued NAI Shortfall Amount, any amounts payable on the Class X Notes or Class E Notes (including if such Class of Notes is the Most Senior Class of Notes), or any amounts payable to the Originator under the Loan Portfolio Sale Agreement.

Liquidity Drawings

Interest Shortfall and Expenses Shortfall

An "**Interest Shortfall**" will arise, if on any Calculation Date, the amount determined by the Calculation Agent by which Interest Available Funds (excluding any Liquidity Drawings made with reference to the relevant Note Payment Date) and after taking into account amounts standing to the credit of the Default Interest Ledger, are less than the amount of interest due on the relevant Note Payment Date in respect of the Most Senior Class of Notes following payment of all amounts paid senior to such interest in accordance with the relevant Priority of Payments and excluding any amounts payable in respect of:

(a) interest on any Class of Notes that is not the then Most Senior Class of Notes;

(b) the Class E Notes and the Class X Notes;

(c) any Note Premium Amount;

(d) any Allocated Note Prepayment Fee Amount; and

(e) any NAI Interest Amount or any Accrued NAI Shortfall Amount.

An "**Expenses Shortfall**" will arise if, on any Calculation Date, the amount by which the aggregate of the sum of all amounts due in accordance with items (a) to (e) of the Pre Note Enforcement Notice Interest Priority of Payments or the Pre Note Enforcement Notice Expected Maturity Priority of Payments (as applicable) on the relevant Note Payment Date is less than the funds available to the Issuer on that day (excluding any Liquidity Drawing made with respect to that Note Payment Date, but including amounts credited to the Default Interest Ledger) to make payment of such amounts.

The Issuer (on the basis of the Calculation Agent Quarterly Report produced by the Calculation Agent) will make a drawing pursuant to the Liquidity Facility Agreement in an amount equal to any relevant Expenses Shortfall (an "**Expenses Drawing**") and/or any relevant Interest Shortfall (an "**Interest Drawing**") on the Note Payment Date immediately following the receipt of notice from the Calculation Agent of an Interest Shortfall or Expenses Shortfall, as appropriate.

The Issuer shall use the proceeds of any Interest Drawing in making payments to the Most Senior Class of Notes (other than the Class X Noteholders and the Class E Noteholders) of interest in accordance with the relevant Priority of Payments.

Property Protection Shortfall

A "**Property Protection Shortfall**" will arise if, on any day a Franc Borrower or Vanguard Obligor (as applicable) does not comply with its obligations in respect of maintaining insurance under the relevant Loan Agreement and there are insufficient funds available in the relevant Borrowers' accounts to pay amounts to remedy or rectify such breach. A Property Protection Shortfall may be an amount identified as such by the Primary Servicer, as applicable, in a manner consistent with the relevant provisions of the Master Servicing Agreement.

The Primary Servicer may direct the Issuer to make the relevant payment if certain additional requirements have been met (such payment being, a "**Property Protection Advance**"). (See "*Key terms of the Servicing Arrangements*" for further details.)

On the occurrence of a Property Protection Shortfall, the Primary Servicer will notify the Calculation Agent and the Issuer of the existence of any such Shortfall that has arisen on any Calculation Date.

The Issuer will make a drawing pursuant to the Liquidity Facility Agreement in an amount equal to the relevant Property Protection Advance (the "**Property Protection Drawing**") on any given Business Day falling no less than 2 Business Days after receipt of notice from the Primary Servicer of a Property Protection Shortfall.

An Expenses Drawing, an Interest Drawing and a Property Protection Drawing are each referred to as a "**Liquidity Drawing**". An Interest Drawing will not be made to pay any amount of interest on any Class of Notes other than the Most Senior Class of Notes, principal, any Allocated Note Prepayment Fee Amount, Note Premium Amount, Accrued NAI Unpaid Amount, any NAI Interest Amount, any amount of interest in respect of the Class E Notes or Class X Notes, or any additional consideration owed to the Originator under the Loan Portfolio Sale Agreement.

Priority of Payments

All payments due to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than in respect of any Liquidity Subordinated Amounts) will rank ahead of payments of interest and repayments of principal on the Notes.

"**Liquidity Subordinated Amounts**" means any amounts in respect of increased costs and tax gross up amounts payable to the Liquidity Facility Provider to the extent that such amounts exceed (and for the amount of such excess only) 2 per cent. per annum of the commitment provided under the Liquidity Facility Agreement (whether drawn or undrawn).

In addition, following the occurrence of a Sequential Payment Trigger, but prior to (i) the Expected Maturity Date of the Notes, or (ii) the delivery of a Note Enforcement Notice, payments of the Liquidity Repayment Amount shall be paid from Principal Available Funds in accordance with the Pre Note Enforcement Notice Principal Priority of Payments.

"**Liquidity Repayment Amount**" means an amount equal to the Liquidity Drawing which is due for payment on the immediately succeeding Note Payment Date, less any Interest Available Funds available for application in accordance with the Pre Note Enforcement Notice Interest Priority of Payments.

For further information about the ranking of such payments, see Condition 6 (*Priority of Payments*).

LF Required Ratings

The Liquidity Facility Agreement will provide that, at all times, the Liquidity Facility Provider will either (i) have a long-term rating of the Liquidity Facility Provider's unguaranteed, unsecured and unsubordinated debt obligations of at least "BBB+" Fitch, and a short-term rating of at least "F2" by Fitch, or such lower rating from Fitch as is commensurate with the rating assigned to the Notes from time to time as specifically provided in the Liquidity Facility Agreement and as set out in more detail in the table below relating to Fitch:

Current Rating of the Most Senior Class of Notes	**Fitch Minimum Liquidity Facility Provider Ratings**
AAAsf	'A' with a short-term rating of 'F1'
AAsf	'A-' with a short-term rating of 'F2'
Asf	'BBB+' with a short-term rating of 'F2'
BBBsf	'BBB-' with a short-term rating of 'F3'
BBsf	At least as high as the Most Senior Class of Notes' rating
Bsf and below	At least as high as the Most Senior Class of Notes' rating

(the "**LF Required Ratings**"), or (ii) fund the Liquidity Commitment in full by way of Standby Drawing.

Standby Drawings

If:

(a) the Liquidity Facility Provider ceases to have or does not have the LF Required Ratings; or

(b) there has been a refusal by the Liquidity Facility Provider to renew the Liquidity Facility on the annual renewal date following request (the "**Renewal Request**"); or

(c) the Liquidity Facility Provider has failed to respond to a Renewal Request within the applicable time periods; and

(d) the Liquidity Facility Provider is unable to arrange for a substitute Liquidity Facility Provider; and

(e) the Issuer is unable to arrange for a substitute Liquidity Facility Provider,

then the Issuer in collaboration with the Calculation Agent after serving a Liquidity Facility Request, subject to the terms of the Liquidity Facility Agreement require the Liquidity Facility Provider to pay into the Issuer Standby Account which is maintained with an appropriately rated bank, an amount (a "**Standby Drawing**") equal to its undrawn portion of the Liquidity Commitment under the Liquidity Facility Agreement not later than (i) 14 days following the downgrade of the Liquidity Facility Provider by Fitch; (ii) 30 days following the downgrade of the Liquidity Facility Provider by DBRS; or, as applicable, (iii) 2 Business Days prior to the last day of the Liquidity Commitment Period in the event of a refusal by the Liquidity Facility Provider to agree to (or the failure of it to respond prior to the expiry of the relevant period to) the Renewal Request. No Standby Drawing may be made or requested to be made (i) after the end of the then current Liquidity Commitment Period or (ii) if any Liquidity Facility Event of Default is continuing or would result from the maintaining of such Standby Drawing or (iii) following the redemption in full of the Notes (other than the Class E Notes and the Class X Notes).

In addition if a Liquidity Facility Provider ceases to have a LF Required Rating, the Liquidity Facility Provider shall use reasonable endeavours (without any obligation to do so) to procure a replacement Liquidity Facility Provider with the LF Required Ratings. If the Liquidity Facility Provider ceases to have the LF Required Ratings and a transfer to another liquidity facility provider would otherwise have to be made but there is no other liquidity facility provider with the LF Required Ratings or if no other liquidity facility provider agrees to such transfer, the Liquidity Facility Provider, the Issuer and the Representative of the Noteholders will consult with the Rating Agencies to consider alternative requirements for a replacement Liquidity Facility Provider prior to the selection of a replacement including a transfer to a liquidity facility provider which does not have the LF Required Ratings, but agrees to fund the Liquidity Commitment in full on accession by way of Standby Drawing. The Liquidity Facility Provider will keep the Issuer, the Representative of the Noteholders, the Master Servicer, the Primary Servicer, the Special Servicer and the Calculation Agent informed of any discussions that it has with the Rating Agencies. Following such consultation, if a replacement entity is appointed, such appointment will be notified by the Liquidity Facility Provider to the Rating Agencies promptly.

Amounts standing to the credit of the Issuer Standby Account will be available to the Issuer to be drawn in the same circumstances as the Liquidity Drawings, as described above, and otherwise in the circumstances provided in the Liquidity Facility Agreement, in order to make a repayment of a Standby Drawing or in the case of interest earned on the Issuer Standby Account in order to pay interest on a Standby Drawing to the Liquidity Facility Provider (in each case subject to and in accordance with the terms of the Liquidity Facility Agreement) and all repayments of Liquidity Drawings will, after a Standby Drawing has been made, be paid into the Issuer Standby Account.

A commitment fee will accrue with respect to the Liquidity Facility at the rate of 1.20 per cent. per annum on the undrawn, uncancelled amount of the Liquidity Commitment. The accrued commitment fee is payable quarterly in arrears on each Note Payment Date.

Interest

Liquidity Drawings and Standby Drawings will bear interest. The rate of interest payable to the Liquidity Facility Provider in relation to Liquidity Drawings will be a rate equal to the sum of 2.0 per cent. per annum on each Note Payment Date falling prior to the Expected Maturity Date and 3.50 per cent. per annum on each Note Payment Date thereafter (the "**Liquidity Margin**"), plus EURIBOR (as defined in the Liquidity Facility Agreement). The rate of interest payable to the Liquidity Facility Provider in relation to Standby Drawings will be the Standby Interest Amount.

"**Standby Interest Amount**" means an amount equal to the aggregate of:

(a) any interest earned since the last day of the previous liquidity facility interest period (or, in the case of the first liquidity facility interest period, since the date the Standby Drawing was made)

on amounts standing to the credit of the Issuer Standby Account following the date of the Standby Drawing;

(b) an amount equal to the commitment fee under the Liquidity Facility Agreement that would have been paid to the Liquidity Facility Provider had the Standby Drawing not been made and, in the case where the Standby Drawing is made due to the LF Relevant Event of the type described in paragraph (b) of that definition, had the Liquidity Facility been extended;

(c) any Increased Costs applicable thereto.

Interest on each Liquidity Drawing and each Standby Drawing shall accrue daily and shall be calculated on the outstanding daily balance of such Liquidity Drawing or Standby Drawing on the basis of actual days elapsed and a 360 day year. The Paying Agent shall calculate the rate of interest applicable on each Liquidity Drawing for each Liquidity Facility Interest Period.

The Calculation Agent shall, through the Quarterly Calculation Agent Report, inform the Issuer, the Liquidity Facility Provider and the Representative of the Noteholders, of the interest payable to the Liquidity Facility Provider on the next Note Payment Date.

Repayment and re-drawing

If a Liquidity Drawing is not repaid on the relevant Note Payment Date, the relevant Liquidity Drawing will be deemed to be repaid (but only for the purposes of the Liquidity Facility) and redrawn on such Note Payment Date in an amount equal to all amounts outstanding **provided that** the aggregate of the amounts drawn together with other Liquidity Drawings will not exceed the Liquidity Commitment. This procedure will be repeated on each subsequent Note Payment Date, up to the amount of the Liquidity Commitment, until all amounts outstanding are paid and/or repaid or until the earlier of the Final Maturity Date, the date on which the Notes (other than the Class E Notes and the Class X Notes) have been redeemed in full or the date on which a Liquidity Facility Event of Default has occurred.

Cancellation of the Liquidity Commitment

Unless terminated in accordance with the terms of the Liquidity Facility Agreement, the Liquidity Commitment shall be automatically cancelled at close of business on the last day of the Liquidity Commitment Period.

The Issuer may, without premium or penalty, voluntarily cancel the undrawn and un-cancelled part of the Liquidity Commitment in whole or in part at any time **provided that** certain conditions are met, including that either the Rating Agencies have confirmed in writing that such cancellation will not result in a downgrade, suspension or withdrawal of the Notes or otherwise have a material adverse effect on the then current rating of any for the Notes (other than the Class X Notes) or, if the ratings of any Notes (other than the Class X Notes) have previously been downgraded suspended or withdrawn, such cancellation will not prevent the restoration of the rating of such Notes. The Rating Agencies are under no obligation to provide such confirmation (see of further information "*Risk Factors and Special Consideration – Rating Agency Confirmations*").

The Liquidity Facility Provider may at any time assign, transfer or novate any of its rights and/or obligations under the Liquidity Facility Agreement to a financial institution or other entity which is authorised to provide finance to an Italian company and which has the LF Required Ratings or funds the Liquidity Commitment in full by way of Standby Drawing.

A "**Liquidity Facility Event of Default**" will include non-payment by the Issuer of amounts payable by it to the Liquidity Facility Provider, certain insolvency related events, the occurrence of a Note Event of Default and illegality.

The Liquidity Facility Provider

At the Issue Date, the Liquidity Facility Provider will be Goldman Sachs International Bank at its offices at Peterborough Court, 133 Fleet Street, London EC4A 2BB.

The information contained in this section entitled "*The Liquidity Facility Provider*" with respect to the Liquidity Facility Provider has been obtained from it. Delivery of this Prospectus will not create any

implication that there has been no change in the affairs of the Liquidity Facility Provider since the date hereof or that the information contained or referred to herein is correct as of any time subsequent to this date.

H The Corporate Services Agreement

Under the Corporate Services Agreement entered into on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders, the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

The Corporate Services Agreement and any non – contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

I The Quotaholder's Agreement

On or about the Issue Date, the Issuer, the Quotaholder, the Originator and the Representative of the Noteholders entered into the Quotaholder's Agreement whereby the Quotaholder has, inter alia, assumed certain undertakings in relation to the management of the Issuer and the exercise of its rights as quotaholder.

The Quotaholder's Agreement and any non – contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

J Master Definitions Agreement

Pursuant to the Master Definitions Agreement, the definitions and interpretations of certain terms and expressions used in the Issuer Transaction Documents have been agreed by the parties to the Issuer Transaction Documents.

THE ISSUER ACCOUNTS STRUCTURE

The Issuer has opened and, subject to the terms of the Issuer Transaction Documents, shall at all times maintain the following accounts:

A **Issuer Collection Account**

"**Issuer Collection Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 83 E 03479 01600 000800955900), as the same may be renumbered or redesignated from time to time, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Issuer Collection Account:

Any Receivables received from a Borrower under or in relation to the Loan Portfolio and/or daily upon receipt thereof, any amounts recovered by the Master Servicer or the Delegate Servicer, as the case may be, under or in relation to the Loan Portfolio.

Out of the Issuer Collection Account:

Any amounts standing to the credit of the Issuer Collection Account to the Issuer Payments Account, on the Business Day immediately preceding the relevant Note Payment Date.

B **Issuer Payments Account**

"**Issuer Payments Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 60 F 03479 01600 000800955901) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Issuer Payments Account:

(a) On the Issue Date, the proceeds of the issue of the Notes, other than the Class X Notes as payment of the Purchase Price;

(b) Any amount received under the Issuer Transaction Documents that are not expressed to be paid to a different Issuer Account;

(c) Any Liquidity Drawings received under the Liquidity Facility Agreement;

(d) The balance transferred from the Issuer Collection Account and related to the immediately preceding Collection Period;

(e) On the second Business Day prior to the Note Payment Date on which all the Notes are redeemed in full or otherwise cancelled, the balance transferred from the Issuer Expenses Account.

(f) Two Business Days prior to the first Note Payment Date €190,000 for the mandatory redemption of the Class X Notes, as set out in Condition 8.3 (*Mandatory Redemption of the Class X Notes*); and

(g) Two Business Days prior to the Note Payment Date falling in November 2015, €5,000 for the mandatory redemption of the Class X1 Note, as set out in Condition 8.3 (*Mandatory Redemption of the Class X Notes*); and

(h) Two Business Days prior to the Final Maturity Date (or any other date on which the Notes are to be redeemed in full), any balance standing to the credit of the Class X Account.

Out of the Issuer Payments Account:

(a) On the Issue Date, firstly, to pay the fees, costs and expenses due on that date by the Issuer, secondly, to pay the Purchase Price to the Originator, each as set out in the relevant Issuer Transaction Documents;

(b) On the first Note Payment Date, to pay €190,000 for the mandatory redemption of the Class X Notes, as set out in Condition 8.3 (*Mandatory Redemption of the Class X Notes*);

(c) On the Note Payment Date falling in November 2015, €5,000 due to the Class X1 Noteholder for the mandatory redemption in full of the Class X1 Note;

(d) One Business Day prior to each Note Payment Date for so long as the Paying Agent and the Issuer Account Bank are not the same entity, or on each Note Payment Date for so long as the Paying Agent and the Issuer Account Bank are the same entity, to make payments to the account specified for such purpose by the Paying Agent, in relation to payments to the Noteholders through the Monte Titoli system in accordance with the relevant Priority of Payments and the relevant Calculation Agent Quarterly Report;

(e) On each Note Payment Date, to make payments to the Other Issuer Creditors other than the Noteholders in accordance with the relevant Priority of Payments and the relevant Calculation Agent Quarterly Report;

(f) On each Note Payment Date, in accordance with the relevant Priority of Payments, to transfer the amounts necessary (if any) to replenish the Issuer Expenses Account up to the Retention Amount;

(g) On each Note Payment Date, in accordance with the relevant Priority of Payments, to pay any amounts payable to the Class X Noteholders;

(h) On the final Note Payment Date (or any other date on which the Notes are to be redeemed in full), in accordance with the relevant Priority of Payments, to pay the Subordinated Class X Amount;

(i) On the final Note Payment Date (or any other date on which the Notes are to be redeemed in full), in accordance with the relevant Priority of Payments, to pay any principal amounts due to the Class X2 Noteholder for the mandatory redemption in full of the Class X2 Note.

C **Issuer Expenses Account**

"**Issuer Expenses Account**" means the Euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 14 H 03479 01600 000800955903), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Issuer Expenses Account:

(a) On the Issue Date, an amount equal to the Initial Expenses;

(b) On each Note Payment Date, an amount to bring the balance (if necessary) of the Issuer Expenses Account up to (but not in excess of) the Retention Amount in accordance with the Priority of Payments.

Out of the Issuer Expenses Account:

(a) Any amounts standing to the credit of the Issuer Expenses Account will be used for paying the Issuer Expenses during a Note Interest Period;

(b) on the second Business Day immediately preceding the Note Payment Date on which all the Notes are redeemed in full or otherwise cancelled, all the funds then standing to the credit of the Issuer Expenses Account to the Issuer Payments Account; and

(c) on the Note Payment Date on which all the Notes are redeemed in full or otherwise cancelled, an amount calculated by the Corporate Servicer to be used to pay any expenses relating to all the Issuer's obligations towards any third party creditors (other than the Noteholders and the Other Issuer Creditors) accruing until the liquidation of the Issuer and connected with the Securitisation.

D **The Issuer Standby Account**

"**Issuer Standby Account**" means the euro denominated account which may be established in the name of the Issuer or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Issuer Standby Account (should it be opened):

Any amount received by the Issuer following any Liquidity Drawing made in accordance with the Liquidity Facility Agreement;

Out of the Standby Account (should it be opened):

Two Business Days prior to each Note Payment Date, to transfer the proceeds of any Interest Drawing and Expenses Drawing, as the case may be, standing to the credit of the Issuer Standby Account to the Issuer Payment Account;

E **Class X Account**

"**Class X Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 37 G 03479 01600 000800955902), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Class X Account:

On the Issue Date, the proceeds of the issue of the Class X Notes.

Out of the Class X Account:

(a) Two Business Days prior to the first Note Payment Date, to transfer to the Issuer Payments Account €190,000 for the mandatory repayment of the Class X Notes, as set out in Condition 8.3 (*Mandatory Redemption of the Class X Notes*); and

(b) Two Business Days prior to the Note Payment Date falling in November 2015, to transfer to the Issuer Payments Account €5,000 for the mandatory repayment of the Class X1 Notes, as set out in Condition 8.3 (*Mandatory Redemption of the Class X Notes*); and

(c) Two Business Days prior to the Final Maturity Date (or any other date on which the Notes are to be redeemed in full), any balance standing to the credit of the Class X Account to the Issuer Payments Account in repayment of the Class X Notes only, and shall not form part of the Interest Available Funds.

F **Quota Capital Account**

"**Quota Capital Account**" means the euro denominated account established in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A. (IBAN: IT 14 A 01030 61621 000001331606), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement, which shall be at all times maintained, until the earlier of (i) the date upon which any Notes have been redeemed in full or cancelled and (ii) the Final Maturity Date, for the deposit of its quota capital

The Issuer Account Bank will be required at all times to be an Eligible Institution. Should the Issuer Account Bank cease to be an Eligible Institution, the Issuer Accounts held with it will be transferred to another Eligible Institution within 30 calendar days from the date on which the Issuer Account Bank.

WEIGHTED AVERAGE LIFE OF THE NOTES

The weighted average life of a Note refers to the average amount of time that will elapse from the date of its issuance until each euro allocable to principal of such Note is distributed to the investor. For the purposes of this Prospectus, the weighted average life of a Note is determined by (a) multiplying the amount of each principal distribution thereon by the number of years from the Issue Date to the related Note Payment Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in the Principal Amount Outstanding of such Note. Accordingly, the weighted average life of any such Note will be influenced by, among other things, the rate at which principal of the Loans is repaid or otherwise collected or advanced and the extent to which such payments, collections or advances of principal are in turn applied in reduction of the Principal Amount Outstanding of the Class of Notes to which such Note belongs.

For the purposes of preparing the following tables, it was assumed that:

(a) the initial Principal Amount Outstanding of, and the interest rates for, each Class of Notes are as set forth herein;

(b) the scheduled quarterly payments for the Loans are based on scheduled quarterly principal (assuming funds are available therefore) and interest payments;

(c) all scheduled quarterly payments are assumed to be timely received on the due date of each quarter commencing on the first Note Payment Date;

(d) there are no delinquencies or losses in respect of the Loans, there are no extensions of maturity in respect of the Loans and there are no casualties or compulsory purchases affecting the Properties;

(e) no prepayments are made on the Loans (except as otherwise assumed in the Scenarios);

(f) the Issuer has not exercised the rights of optional redemption described herein and in Conditions 8.4 (*Optional redemption*) and 8.5 (*Optional redemption for taxation reasons*) of the Conditions, as applicable;

(g) there are no additional unanticipated Administrative Fees and expenses;

(h) principal and interest payments on the Notes are made on each Note Payment Date, commencing in November 2014;

(i) the prepayment provisions for the Loans are as set forth in this Prospectus, assuming the term for the prepayment provisions begin on the first Loan Payment Date;

(j) the Hedging Agreements remains in place in accordance with its terms, the relevant Borrower Cap Provider makes timely payment of all amounts due under the relevant Borrower Cap Agreement, and the Franc Borrower does not default in paying all amounts due under the Franc Loan Agreement following termination of the Franc Borrower Cap Agreement on the Franc Cap Termination Date;

(k) the Issue Date is 21 July 2014;

(l) no Note Enforcement Notice has been served; and

(m) the weighted average lives of the Notes have been calculated on an actual/360 basis.

Assumptions (a) through (m) above are collectively referred to as, the "**Modelling Assumptions**".

Scenario 1: it is assumed that each Loan is repaid in full on the relevant Loan Maturity Date.

Scenario 2: it is assumed that each Loan is prepaid in full on the first Loan Payment Date on which prepayments can be made without any prepayment fees.

Scenarios 1 and 2 are collectively referred to herein as the "**Scenarios**".

Based on the Modelling Assumptions, the following tables indicate the resulting weighted average lives of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, and set forth the percentage of the initial Principal Amount Outstanding of each such Class of Notes that would be outstanding after the Issue Date and on each Note Payment Date, after repayment or prepayment, as applicable, of principal paid in that period, occurring in February, May, August and November of each year until the Final Maturity Date.

Percentage of the initial Principal Amount Outstanding for each designated Scenario

	Class A		Class B		Class C		Class D		Class E	
Note Payment Date	**Scenario 1**	**Scenario 2**	**Scenario 1**	**Scenario 2**	**Scenario 1**	**Scenario 2**	**Scenario 1**	**Scenario 2**	**Scenario 1**	**Scenario 2**
22-Nov- 2014	99.72%	99.72%	99.84%	99.84%	99.75%	99.75%	99.84%	99.84%	99.86%	99.86%
22-Feb-2015	99.45%	99.45%	99.69%	99.69%	99.49%	99.49%	99.69%	99.69%	99.72%	99.72%
22-May-2015	99.17%	99.17%	99.53%	99.53%	99.24%	99.24%	99.53%	99.53%	99.58%	99.58%
22-Aug-2015	98.90%	98.90%	99.38%	99.38%	98.99%	98.99%	99.37%	99.37%	99.43%	99.43%
22-Nov-2015	98.62%	0.00%	99.22%	0.00%	98.74%	0.00%	99.21%	0.00%	99.29%	0.00%
22-Feb-2016	98.35%	0.00%	99.07%	0.00%	98.48%	0.00%	99.06%	0.00%	99.15%	0.00%
22-May-2016	98.07%	0.00%	98.91%	0.00%	98.23%	0.00%	98.90%	0.00%	99.01%	0.00%
22-Aug-2016	97.80%	0.00%	98.76%	0.00%	97.98%	0.00%	98.74%	0.00%	98.87%	0.00%
22-Nov-2016	97.52%	0.00%	98.60%	0.00%	97.73%	0.00%	98.58%	0.00%	98.73%	0.00%
22-Feb-2017	97.25%	0.00%	98.45%	0.00%	97.47%	0.00%	98.43%	0.00%	98.59%	0.00%
22-May-2017	96.97%	0.00%	98.29%	0.00%	97.22%	0.00%	98.27%	0.00%	98.44%	0.00%
22-Aug-2017	96.70%	0.00%	98.14%	0.00%	96.97%	0.00%	98.11%	0.00%	98.30%	0.00%
22-Nov-2017	96.42%	0.00%	97.98%	0.00%	96.72%	0.00%	97.96%	0.00%	98.16%	0.00%
22-Feb-2018	96.15%	0.00%	97.83%	0.00%	96.46%	0.00%	97.80%	0.00%	98.02%	0.00%
22-May-2018	95.87%	0.00%	97.67%	0.00%	96.21%	0.00%	97.64%	0.00%	97.88%	0.00%
22-Aug-2018	95.60%	0.00%	97.51%	0.00%	95.96%	0.00%	97.48%	0.00%	97.74%	0.00%
22-Nov-2018	52.84%	0.00%	53.86%	0.00%	57.72%	0.00%	97.33%	0.00%	97.60%	0.00%
22-Feb-2019	52.68%	0.00%	53.82%	0.00%	57.57%	0.00%	97.17%	0.00%	97.45%	0.00%
22-May-2019	52.52%	0.00%	53.78%	0.00%	57.41%	0.00%	97.01%	0.00%	97.31%	0.00%
22-Aug-2019	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Weighted Average Life (years)	4.71	1.35	4.76	1.35	4.75	1.35	5.09	1.35	5.09	1.35

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the "Noteholders" are to the ultimate owners of the Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-*bis *of the Financial Laws Consolidation Act and (ii) the Joint Regulation, as subsequently amended and supplemented from time to time. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules, attached as an Exhibit to, and forming part of, these Conditions.*

The €145,100,000 Class A Commercial Mortgage Backed Notes due 2026 (the "**Class A Notes**"), The €100,000 Class X1 Commercial Mortgage Backed Note due 2026 (the "**Class X1 Note**"), the €100,000 Class X2 Commercial Mortgage Backed Note due 2026 (the "**Class X2 Note**", and together with the Class X1 Note, the "**Class X Notes**"), the €14,600,000 Class B Commercial Mortgage Backed Notes due 2026 (the "**Class B Notes**"), the €17,700,000 Class C Commercial Mortgage Backed Notes due 2026 (the "**Class C Notes**"), the €3,822,000 Class D Commercial Mortgage Backed Notes due 2026 (the "**Class D Notes**"), the €17,000,000 Class E Commercial Mortgage Backed Notes due 2026 (the "**Class E Notes**" and, together with the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**") have been issued by the Issuer on the Issue Date pursuant to the Italian Securitisation Law to finance the purchase of the Loan Portfolio from the Originator pursuant to the Loan Portfolio Sale Agreement. The principle source of payment of interest and repayment of principal due and payable in respect of the Notes will be collections and recoveries made in respect of the Loans.

Any reference below to a "*Class*" of Notes or a "*Class*" of Noteholders shall be a reference to the Notes or to the respective ultimate owners thereof.

1. INTRODUCTION

1.1 Noteholders deemed to have notice of Issuer Transaction Documents

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Issuer Transaction Documents (described below).

1.2 Provisions of Conditions subject to Issuer Transaction Documents

Certain provisions of these Conditions include summaries of, and are subject to, the detailed provisions of the Issuer Transaction Documents.

1.3 Copies of Issuer Transaction Documents available for inspection

Copies of the Issuer Transaction Documents (other than the Subscription Agreement) are available for inspection by the Noteholders during normal business hours at the registered office of the Issuer, being as at the Issue Date, Via Vittorio Alfieri, 1, Conegliano (TV), Italy, at the registered office of the Representative of the Noteholders, being, as at the Issue Date, via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy, and on the website of the Paying Agent, being, as at the Issue Date, www.gctabsreporting.bnpparibas.com.

1.4 Description of Issuer Transaction Documents

1.4.1 Pursuant to the Subscription Agreement, the Lead Manager has agreed to subscribe for the Notes and has appointed the Representative of the Noteholders to perform the activities described in the Subscription Agreement, these Conditions, the Rules and the other Issuer Transaction Documents.

1.4.2 Pursuant to the Master Servicing Agreement and the Delegate Servicing Agreement, the Master Servicer and the Delegate Servicer have agreed to administer, service and recover amounts in respect of the Loans on behalf of the Issuer. The Master Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Italian Securitisation Law and will be responsible for ensuring that such transactions comply with the provisions of article 2.3(c) and article 2.6 of the Italian Securitisation Law.

1.4.3 Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

1.4.4 Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent, the Paying Agent, the Issuer Account Bank, the Master Servicer, the Delegate Servicer and the Corporate Servicer have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys from time to time standing to the credit of the Issuer Accounts. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of principal and interest in respect of the Notes.

1.4.5 Pursuant to the Monte Titoli Mandate Agreement, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

1.4.6 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's Rights in respect of the Loan Portfolio and the Issuer Transaction Documents.

1.4.7 Pursuant to the Deed of Pledge, the Issuer has pledged, in favour of the Noteholders and the Other Issuer Creditors, all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guaranties) to which it is entitled pursuant or in relation to certain Issuer Transaction Documents to which the Issuer is a party.

1.4.8 Pursuant to the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to grant a facility to the Issuer in order to make good any Interest Shortfall, Expenses Shortfall or Property Protection Shortfall.

1.4.9 Pursuant to the Quotaholder's Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

1.4.10 Pursuant to the Master Definitions Agreement, the definitions and interpretations of certain terms and expressions used in the Issuer Transaction Documents have been agreed by the parties to the Issuer Transaction Documents.

1.5 **Acknowledgement**

Each Noteholder, by reason of holding Notes, acknowledges and agrees that the Lead Manager shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by Securitisation Services S.p.A, or any successor thereof of its duties as Representative of the Noteholders as provided for in the Issuer Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Conditions the terms set out below have the following meanings:

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Borrower Affiliate**" means a Borrower and each of their respective Affiliates and:

(a) any trust of which either a Borrower or any of its respective Affiliates is a trustee;

(b) any partnership of which either a Borrower or any of its respective Affiliates is a partner;

(c) any trust, fund or other entity which is managed or advised by, or is under the control of, a Borrower or any of its respective Affiliates; and

(d) any trust, fund or other entity which is managed or advised by the same investment manager or investment adviser as a Borrower or any of its respective Affiliates or, if it is managed by a different investment manager or investment adviser, any trust, fund or other entity whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of a Borrower or any of its respective Affiliates,

provided that any such trust, fund or other entity which has been established for at least 6 months solely for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently from all other trusts, funds or other entities managed or controlled by a Borrower or any of its Affiliates otherwise included under this definition shall not constitute a Borrower Affiliate.

"**Borrower Facility Agent**" means CBRE Loan Servicing Limited as facility agent under the Loan Agreements.

"**Borrower Facility Agent Fee**" means any fee payable to the Borrower Facility Agent in accordance with the terms of the Loan Documents.

"**Borrower Security Agent**" means CBRE Loan Servicing Limited as security agent under the Loan Agreements.

"**Borrowers**" means the Franc Borrower and the Vanguard Borrowers, and a "**Borrower**" means each of these.

"**Business Day**" means any day on which banks are generally open for business in Milan, London and Luxembourg, and on which TARGET2, the Trans-European Automated Real Time Gross Transfer System, which uses a single shared platform and was launched on 19 November 2007 (or any successor thereto) is open.

"**Calculation Agent**" means Securitisation Services S.p.A., or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Agent Quarterly Report**" means the report to be prepared by the Calculation Agent on the Calculation Date to deliver to the Issuer, the Master Servicer, the Delegate Servicer, the Corporate Servicer, the Agents and the Rating Agencies in respect of the current Note Interest Period in which it will notify the recipients of, among other things, all amounts received in the Issuer Accounts, all payments to be made and any other apportionments to be made with respect thereto on the immediately following Note Payment Date including but not limited to:

(a) any interest and principal payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

(b) any Administrative Fees;

(c) any Class X Interest Amount;

(d) any Note Premium Amount;

(e) any Allocated Note Prepayment Fee Amount, Class X1 Allocated Note Prepayment Fee Amount;

(f) any payment of Deferred Interest;

(g) any Subordinated Class X Amount;

(h) any Class B Interest Cap, Class C Interest Cap, Class D Interest Cap or Class E Interest Cap to be applied to the interest payable on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as applicable;

(i) any credits to the Default Interest Ledger;

(j) any NAI Shortfall Amount, NAI Interest Amount, and any NAI Unpaid Amount;

(k) any Liquidity Drawings; and

(l) any amounts to be paid to the Liquidity Facility Provider including any interest on the Liquidity Drawings.

"**Calculation Date**" means the date falling 3 Business Days prior to the Note Payment Date on which the Calculation Agent is required to determine all amounts due in accordance with the relevant Priority of Payments on the forthcoming Note Payment Date and the amounts available to make such payments and shall deliver the Calculation Agent Quarterly Report.

"**Call Protection Period** " means the period from the Issue Date to the Loan Payment Date falling in 15 November 2015.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement dated on or about the Issue Date entered into between the Issuer, the Master Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Issuer Account Bank, the Delegate Servicer and the Paying Agent.

"**Class**" shall be a reference to a class of Notes being the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class X Notes and "**Classes**" shall be construed accordingly.

"**Class A Noteholder**" means a holder for the time being of the Class A Notes.

"**Class B Noteholder**" means a holder for the time being of the Class B Notes.

"**Class C Noteholder**" means a holder for the time being of the Class C Notes.

"**Class D Noteholder**" means a holder for the time being of the Class D Notes.

"**Class E Noteholder**" means a holder for the time being of the Class E Notes.

"**Class X Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 37 G 03479 01600 000800955902), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Class X Redemption Amounts**" means the redemption amounts in respect of the Class X Notes, being (i) mandatory redemption in part on the first Note Payment Date in the amount of €95,000 for each Class X Note, (ii) in respect of the Class X1 Note only, mandatory redemption in full from amounts standing to the credit of the Class X Account on the Note Payment Date falling in November 2015, and (iii) in respect of the Class X2 Note only, mandatory redemption in full from amounts standing to the credit of the Class X Account on the Note Payment Date where the last remaining Notes are to be redeemed in full.

"**Class X1 Noteholder**" means the holder for the time being of the Class X1 Note.

"**Class X2 Noteholder**" means the holder for the time being of the Class X2 Note.

"**Class X Noteholders**" means the holder for the time being of the Class X Notes.

"**Class X Trigger Event**" means the first to occur of the following:

(a) a Calculation Date on which either Loan is a Specially Serviced Loan;

(b) a Note Payment Date following a Loan Final Maturity Event of Default; or

(c) the delivery of a Note Enforcement Notice.

"**Clean-up Option Date**" means any Note Payment Date on which the aggregate Outstanding Principal of the Loans is equal to or less than 10 per cent. of the aggregate Outstanding Principal of the Loans as at the most recent Note Payment Date.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

"**Collection Period**" means a period which starts one day after a Loan Payment Date and ends on the next Loan Payment Date, except in respect of the first Collection Period, which commences on (and including) the Issue Date and ends on a Loan Payment Date falling on 15 November 2014.

"**Compliance Certificate**" means the compliance certificate which a Borrower is required to deliver to the Borrower Facility Agent.

"**Conditions**" means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered Condition shall be construed in relation to the Notes accordingly.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Banking Act**" means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

"**Controlling Class**" means the most junior Class of Notes (other than the Class X Notes) outstanding if it meets the Controlling Class Test.

"**Controlling Class Test**" means the test which the Controlling Class will be subjected to at the relevant time, which will be met if the Class of Notes has a total Principal Amount Outstanding which is not less than 25 per cent. of the Principal Amount Outstanding of such Class of Notes on the Issue Date and for which a Control Valuation Event is not continuing.

"**Corporate Servicer**" means Securitisation Services S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

"**Corporate Services Agreement**" means corporate services agreement entered into on or about the Issue Date between the Issuer and the Corporate Servicer.

"**Corrected Loan**" means, after a Loan has become a Specially Serviced Loan, discontinuance of any event which would constitute a monetary Special Servicer Transfer Event for two consecutive Loan Interest Periods and the facts giving rise to any other Special Servicer Transfer Event having ceased to exist and, in the opinion of the Special Servicer (acting in good faith), no other matter existing which would give rise to a Loan becoming a Specially Serviced Loan during the current or immediately succeeding Loan Interest Period.

"**Criteria**" means the criteria set out in the Loan Portfolio Sale Agreement on the basis of which the Receivables and a Loan Agreement from which they arise, are identified as a "**block**" (*in blocco*), pursuant to the articles 1 and 4 of the Italian Securitisation Law.

"**DBRS**" means DBRS Ratings Limited.

"**Debtor**" means a debtor whose bank account has been pledged.

"**Decree 213**" means Legislative Decree number 213 of 24 June 1998, as amended and supplemented from time to time.

"**Decree 239**" means Italian Legislative Decree No. 239 of 1 April 1996.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree 239.

"**Deed of Pledge**" means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Default Interest**" means any default interest due under a Loan Agreement.

"**Delegate Servicer**" means CBRE Loan Servicing Limited or any other person for the time being acting as Delegate Servicer pursuant to the Delegate Servicing Agreement.

"**Delegate Servicing Agreement**" means a delegate servicing agreement entered into on or about the Issue Date between the Master Servicer and the Delegate Servicer.

"**Disenfranchised Noteholder**" means (i) the Issuer or any Affiliate of the Issuer; or (ii) any Borrower Affiliate.

"**Eligible Institution**" means any depository institution, organised under the laws of any state which is a member of the European Union, whose:

(a) long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "A" by Fitch and "A" by DBRS; and

(b) short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "F1" by Fitch and "R-1 (High)" by DBRS.

"**EURIBOR**" means:

(a) prior to the delivery of a Note Enforcement Notice, the Euro-Zone Inter-bank offered rate for 3 month Euro deposits which appears on the display page designated EURIBOR 01 on Reuters (except in respect of the first Note Interest Period, where an interpolated interest rate based on interest rates for two and three month deposits in Euro which appears on the display page designated EURIBOR 01 on Reuters will be substituted); or

(b) following the delivery of a Note Enforcement Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Reuters display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or

(c) in the case of (a) and (b), EURIBOR shall be determined by reference to such other page as may replace the relevant Reuters page on that service for the purpose of displaying such information; or

(d) in the case of paragraph (a) and (b) above, EURIBOR shall be determined, if the Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (d) above being the "**Screen Rate**" or, in the case of the first Note Interest Period, the "**Additional Screen Rate**") at or about 11:00 a.m. (Brussels time) on the Note Interest Determination Date; and

(e) if the Screen Rate (or, in the case of the first Note Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Calculation Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in

a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Note Interest Determination Date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Calculation Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(iii) if only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of paragraphs (i) or (ii) above shall have applied.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

"**Expected Maturity Date**" means the Note Payment Date falling in August 2019, on which the Notes are expected to mature unless previously redeemed in full.

"**Expenses Drawing**" means a drawing made by the Calculation Agent, on behalf of the Issuer, pursuant to the Liquidity Facility Agreement in an amount equal to any relevant Expenses Shortfall on the Note Payment Date immediately following the receipt of notice from the Calculation Agent of an Expenses Shortfall, as appropriate.

"**Expenses Shortfall**" means, on any Calculation Date, the amount by which the aggregate of the sum of all amounts due in accordance with items (i) to (v) of the Pre Note Enforcement Notice Interest Priority of Payments or the Pre Note Enforcement Notice Expected Maturity Priority of Payments (as applicable) on the relevant Note Payment Date is less than the funds available to the Issuer on that day (excluding any Liquidity Drawing made with respect to that Note Payment Date, but including amounts credited to the Default Interest Ledger) to make payment of such amounts.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast. For the purposes of determining the majority of votes cast at a Meeting of the Noteholders any Notes held by a Disenfranchised Noteholder, shall be treated as if they were not outstanding and shall not be counted in or towards any required majority.

"**Final Maturity Date**" means the Note Payment Date falling in August 2026.

"**Finance Party**" means each of the Originator, the Issuer, the Borrower Facility Agent, the Borrower Security Agent, the mandated lead arranger under a Loan Document and the underwriter under a Loan Document.

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

"**Fitch**" means Fitch Ratings Limited.

"**Franc Borrower**" means Franciacorta Retail S.r.l.

"**Franc Borrower Account Bank**" means in respect of the Franc Borrower Accounts located in Italy, ING Bank Italy, and in respect of the Franc Borrower Accounts located in Luxembourg, ING Luxembourg S.A., Luxembourg, or such other successor that becomes a Franc Borrower Account Bank in accordance with the terms of the Franc Loan Agreement.

"**Franc Borrower Cash Trap Account**" means the account maintained by the Issuer and designated as such at the Franc Borrower Account Bank.

"**Franc Loan**" means €78,437,500 loan which the Franc Original Borrower borrowed on the Franc Utilisation Date under the Franc Loan Agreement.

"**Franc Loan Agreement**" means the agreement dated 11 September 2013 between, amongst others, the Franc Borrower, the Originator, the Borrower Facility Agent and the Borrower Security Agent.

"**Franc Loan Document**" has the meaning ascribed to the term "Finance Document" in the Franc Loan Agreement.

"**Franc Loan Maturity Date**" means 15 November 2018 (or if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).

"**Franc Loan Security**" means the security granted in favour of any Finance Party pursuant to the Franc Loan Security Agreements.

"**Franc Original Borrower**" means Frankie Bidco S.à r.l..

"**Holding Company**" means a legal entity in respect of which another legal entity is a Subsidiary.

"**Indemnity Value**" means an amount equal to the sum of:

(a) the Outstanding Principal of the Loans, as of the date on which the Limited Recourse Loan is granted, plus

(b) an amount equal to interest accrued and not paid in relation to the Loans as of the date on which the Limited Recourse Loan is granted.

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect, unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under paragraph (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) the commencement of negotiations with one or more creditors of the Issuer with a view to rescheduling any indebtedness of the Issuer other than in connection with any refinancing in the ordinary course of business; or

(d) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its

indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(e) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation(except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

(f) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest**" means interest, premium and other income derived from Notes falling within the category of bonds (*obbligazioni*) and similar securities issued, *inter alia*, by Italian limited liability company incorporated under article 3 of Law No 130 of 30 April 1999.

"**Interest Available Funds**" means the aggregate of:

(a) all amounts paid in respect of the Loans on account of interest (including any Default Interest), fees (excluding Loan Prepayment Fee Amounts), breakage costs, expenses, commissions and other sums, and any receipts in respect of any insurance policy covering the risk of loss of rent during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(b) all Recoveries in respect of interest collected by the Primary Servicer or Special Servicer during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(c) any Liquidity Drawings made with reference to such Note Payment Date (other than any Property Protection Drawing);

(d) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer Accounts (other than the Issuer Standby Account) during the immediately preceding Collection Period, to the extent that such amounts exceed zero;

(e) all other items and payments received by the Issuer which do not qualify as Principal Available Funds and which have been credited to the Issuer Collection Account during the immediately preceding Collection Period;

(f) the Indemnity Value under the Loan Portfolio Sale Agreement, if any, excluding the principal element thereof;

(g) the Retention Amount; and

(h) amounts standing to the credit of the Default Interest Ledger up to the Required Amount and on final redemption of the Notes in accordance with the Conditions, all amounts standing to the credit of the Default Interest Ledger.

"**Interest Drawing**" means a drawing made by the Calculation Agent, on behalf of the Issuer, pursuant to the Liquidity Facility Agreement in an amount equal to any relevant Interest Shortfall on the Note Payment Date immediately following the receipt of notice from the Calculation Agent of an Interest Shortfall, as appropriate.

"**Interest Shortfall**" means on any Calculation Date, the amount determined by the Calculation Agent by which Interest Available Funds (excluding any Liquidity Drawings made with

reference to the relevant Note Payment Date) and after taking into account amounts standing to the credit of the Default Interest Ledger, are less than the amount of interest due on the relevant Note Payment Date in respect of the Most Senior Class of Notes following payment of all amounts paid senior to such interest in accordance with the relevant Priority of Payments and excluding any amounts payable in respect of:

(a) interest on any Class of Notes that is not the then Most Senior Class of Notes;

(b) the Class E Notes and the Class X Notes;

(c) any Note Premium Amount;

(d) any Allocated Note Prepayment Fee Amount; and

(e) any NAI Interest Amount or any Accrued NAI Shortfall Amount.

"**Issue Date**" means 21 July 2014, or such other date on which the Notes are issued.

"**Issuer**" means Moda 2014 S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy, having its registered office at Via Vittorio Alfieri, 1, Conegliano (TV), Italy, fiscal code and enrolment with the companies register of Treviso number 04673050268, enrolled under number 35139.5 in the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Italy's regulation dated 29 April 2011, having as its sole corporate object the performance of securitisation transactions under the Italian Securitisation Law.

"**Issuer Accounts**" means, the Issuer Payments Account or any other account opened in the name of the Issuer.

"**Issuer Account Bank**" means BNP Paribas Securities Services, Milan Branch or any other person for the time being acting as Issuer Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Issuer Available Funds**" means, in respect of any Note Payment Date, comprise the aggregate of the Interest Available Funds, the Class X Redemption Amounts, the Principal Available Funds and any Loan Prepayment Fee Amounts.

"**Issuer Collection Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 83 E 03479 01600 000800955900), as the same may be renumbered or redesignated from time to time, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Issuer Expenses**" means any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of the then outstanding securitisation transaction carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws.

"**Issuer Expenses Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 14 H 03479 01600 000800955903), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Issuer Payments Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: IT 60 F 03479 01600 000800955901) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Issuer Transaction Documents**" means, together, the Loan Portfolio Sale Agreement, the Master Servicing Agreement, the Delegate Servicing Agreement, the Intercreditor Agreement, the Liquidity Facility Agreement, the Cash Allocation, Management and Payments Agreement,

the Deed of Pledge, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Master Definitions Agreement, the Conditions and any other document which may be deemed to be necessary in relation to the Securitisation.

"**Issuer Transaction Security**" means the security created pursuant to the Deed of Pledge.

"**Issuer's Rights**" means the Issuer rights under the Issuer Transaction Documents.

"**Italian Securitisation Law**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008, as amended from time to time.

"**Lead Manager**" means Goldman Sachs International.

"**Liabilities**" means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgements, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

"**Limited Recourse Loan**" has the meaning ascribed to that term in the Loan Portfolio Sale Agreement.

"**Liquidation Fee**" means a liquidation fee (equal to 0.5 per cent. of the Liquidation Proceeds payable to the Special Servicer in accordance with the terms of the Master Servicing Agreement.

"**Liquidation Proceeds**" means the proceeds arising from any sale, which the Issuer would realise in the event of enforcement and liquidation and which shall be net of costs and expenses of sale, if any, of a Loan, any direct or indirect interest in any Borrower or any part of the Property Portfolio (plus VAT, if applicable).

"**Liquidity Facility Agreement**" means the loan agreement entered into on or about the Issue Date between the Issuer and the Liquidity Facility Provider, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Liquidity Drawing**" means an Expense Drawing or an Interest Drawing or a Property Protection Drawing.

"**Liquidity Facility Provider**" means Goldman Sachs International Bank, or any other person for the time being acting as Liquidity Facility Provider pursuant to the Liquidity Facility Agreement.

"**Loan**" means each of the Franc Loan and the Vanguard Loan.

"**Loan Agreements**" means each of the Franc Loan Agreement and the Vanguard Loan Agreement.

"**Loan Documents**" means each of the Franc Loan Documents, or Vanguard Loan Documents, as applicable.

"**Loan Event of Default**" means an event of default under the Franc Loan or the Vanguard Loan pursuant to the applicable Loan Agreement.

"**Loan Final Maturity Event of Default**" means a Franc Loan Event of Default or Vanguard Loan Event of Default arising as a result of non payment of any amounts due under the relevant Loan Documents on the Franc Loan Maturity Date or Vanguard Loan Maturity Date (as applicable), as such maturity date is contemplated in the Franc Loan Agreement or Vanguard Loan Agreement as at the Issue Date.

"**Loan Interest Period**" means

(a) in respect of the Franc Loan:

(i) in respect of the current Loan Interest Period, the period commencing on the Loan Payment Date falling in May 2014 and ending on the Loan Payment Date falling in August 2014;

(ii) the next Loan Interest Period relating to the Franc Loan shall start on (and include) the Loan Interest Period Date which falls in August 2014 and will end on (but exclude) the next Loan Interest Period Date;

(iii) any successive Loan Interest Period thereafter shall start on (and include) the Loan Interest Period Date on which the last Loan Interest Period for that Loan ended and end on (but exclude) the next Loan Interest Period Date.

(b) in respect of the Vanguard Loan:

(i) in respect of the first Loan Interest Period, the period commencing seven days following the Vanguard Utilisation Date and ending on (but excluding) the Loan Interest Period Date falling in November 2014;

(ii) any successive Loan Interest Period thereafter shall start on (and include) the Loan Interest Period Date on which the last Loan Interest Period for that Loan ended and end on (and exclude) the next following Loan Interest Period Date.

"**Loan Interest Period Date**" means:

(a) in relation to the Franc Loan or the Vanguard Loan, the 22nd calendar day of each of February, May, August and November, or if such day is not a Business Day under the Franc Loan or the Vanguard Loan (as applicable), then on the next succeeding Business Day in the relevant calendar month (if there is one) or the preceding Business Day (if there is not), provided that:

(i) in respect of the Franc Loan, the first Loan Interest Period Date shall be 22 August 2014 (or if such day is not a Business Day under the Franc Loan, then on the next succeeding Business Day in the relevant calendar month (if there is one) or the preceding Business Day (if there is not));

(ii) in respect of the Vanguard Loan, the first Loan Interest Period Date shall be 22 November 2014 (or if such day is not a Business Day under the Vanguard Loan, then on the next succeeding Business Day in the relevant calendar month (if there is one) or the preceding Business Day (if there is not));

(a) in relation to any Unpaid Sum, the last day of the Loan Interest Period relating to that Unpaid Sum.

"**Loan Maturity Date**" means either the Franc Loan Maturity Date or the Vanguard Loan Maturity Date, as applicable.

"**Loan Payment Date**" means 15 February, 15 May, 15 August, 15 November (or in each case, if not a Business Day, on the Business Day falling immediately thereafter in the same month or, if none it shall end on the immediately preceding Business Day), in each year, **provided that**:

(a) the first Loan Payment Date in respect of the Franc Loan was 15 February 2014 (or, if not a Business Day, on the Business Day falling immediately thereafter in the same month or, if none it shall end on the immediately preceding Business Day);

(b) the first Loan Payment Date in respect of the Vanguard Loan shall be 15 November 2014 (or, if not a Business Day, on the Business Day falling immediately thereafter in the same month or, if none it shall end on the immediately preceding Business Day).

"**Loan Portfolio**" means the portfolio of Receivables comprising the Loans, all Loan Security and any other related documents purchased on 1 July 2014 by the Issuer pursuant to the terms and conditions of the Loan Portfolio Sale Agreement.

"**Loan Portfolio Sale Agreement**" means the agreement dated 1 July 2014 between the Issuer and the Originator, as per which the Originator has sold to the Issuer its right, title, interest and benefit in and to the Loan Portfolio, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Loan Prepayment Fee**" means any prepayment fees payable under the Franc Loan Agreement or the Vanguard Loan Agreement.

"**Loan Security**" means the Franc Loan Security or the Vanguard Loan Security.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Issuer Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Servicer**" means Securitisation Servicer S.p.A., or any other person for the time being acting as Master Servicer pursuant to the Master Servicing Agreement.

"**Master Servicing Agreement**" means the agreement entered into on or about the Issue Date between, the Issuer, the Borrower Facility Agent, the Borrower Security Agent, the Representative of the Noteholders and the Master Servicer

"**Meeting**" means a meeting of Noteholders of any Class or Classes, whether originally convened or resumed following an adjournment.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Via Mantegna, 6, 20154 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with article 30 of Decree 213 and includes any depository banks approved by Euroclear and Clearstream.

"**Monte Titoli Mandate Agreement**" means the agreement entered into between the Issuer and Monte Titoli as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Most Senior Class of Notes**" means at any time:

(a) the Class A Note; or

(b) if no Class A Note are then outstanding, the Class B Note (if at that time any Class B Note are then outstanding); or

(c) if no Class A Note or Class B Note are then outstanding, the Class C Note (if at that time any Class C Notes are then outstanding); or

(d) if no Class A Note or Class B Note or Class C Note are then outstanding, the Class D Note (if at that time any Class D Notes are then outstanding); or

(e) if no Class A Note or Class B Note, Class C Note or Class D Note are then outstanding, the Class E Note (if at that time any Class E Notes are then outstanding); or

(f) if no Class A Note or Class B Note or Class C Note or Class D Note or Class E Note are then outstanding, the Class X Notes (if at that time any Class X Note is then outstanding).

"**NAI Interest Amount**" means the total amount of interest payable in respect of a principal amount of the Notes equal to the NAI Shortfall Amount.

"**NAI Shortfall Amount**" means following a Final Recovery Determination, the initial principal amount of a Loan less all payments of principal in respect of the Loan following completion of enforcement procedures in respect of such Loans as determined by the Primary Servicer or the Special Servicer (in the case of a Specially Serviced Loan).

"**Note EURIBOR**" means, prior to the Franc Loan Maturity Date, EURIBOR, and following the Franc Loan Maturity Date, the lower of EURIBOR and 7 per cent.

"**Note Interest Determination Date**" means, with respect to the first Note Interest Period, the day falling 2 TARGET Days prior to the Issue Date and with respect to each subsequent Note Interest Period, the date falling 2 Business Days prior to the Note Payment Date at the beginning of such Note Interest Period.

"**Note Interest Period**" means each period from (and including) a Note Payment Date to (but excluding) the next following Note Payment Date.

"**Note Payment Date**" means 22 February, 22 May, 22 August and 22 November of each year **provided that** the first Note Payment Date shall be 22 November 2014 (or, if such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).

"**Note Premium Amount**" means, in respect of any Note Interest Period commencing on the Note Payment Date immediately preceding the Franc Loan Maturity Date in which EURIBOR exceeds 7 per cent., any amount payable on the Notes (other than the Class X Notes) calculated in accordance with the following formula:

(A x (B - C)) x D

Where:

A = (i) From the Note Payment Date immediately preceding the Franc Loan Maturity Date, a portion of the Notes in an amount equal to the outstanding principal balance of the Franc Loan on that Note Payment Date; or

(ii) From the Vanguard Loan Maturity Date, the Principal Amount Outstanding on the Notes.

B = 3 month EURIBOR (where EURIBOR exceeds 7 per cent.)

C = 7 per cent.

D = Day Count Fraction

"**Obligations**" means all the obligations of the Issuer created by or arising under the Notes and the Issuer Transaction Documents.

"**Noteholders**" means, together, the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class X Noteholders.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Operating Advisor**" means an advisor elected and appointed by the Controlling Class, acting by Ordinary Resolution, to represent its interests and consult with the Primary Servicer or the Special Servicer acting in relation to the Loans.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by more than 50 per cent. of the vote cast.

For the purposes of determining the majority of votes cast at a Meeting of the Noteholders any Notes held by a Disenfranchised Noteholder, shall be treated as if they were not outstanding and shall not be counted in or towards any required majority.

"**Organisation of the Noteholders**" means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means Goldman Sachs International Bank.

"**Other Issuer Creditors**" means the Originator, the Master Servicer, the Delegate Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Liquidity Facility Provider, the Paying Agent, the Issuer Account Bank, the Sole Arranger and the Lead Manager.

"**Other Issuer Creditor Fees and Expenses**" means the following fees and expenses to be paid by the Issuer to the Other Issuer Creditors:

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Primary Servicing Fees	0 per cent.[2] (inclusive of VAT)	Ahead of all outstanding Notes	Borrower Facility Agent Fee payable quarterly in advance
Special Servicing Fees	0.15 per cent. per annum of outstanding principal balance of Loan (inclusive of VAT)	Ahead of all outstanding Notes	Payable for such period that a Loan is designated a Specially Serviced Loan
Liquidation Fee	0.50 per cent. of Liquidation Proceeds (inclusive of VAT)	Ahead of all outstanding Notes	Payable on each Note Payment Date that a Loan is a Specially Serviced Loan to the extent liquidation proceeds are received
Liquidity Commitment Fee	1.20 per cent. per annum of the undrawn and uncancelled Liquidity Commitment (exclusive of VAT, if any)	Ahead of all outstanding Notes	Payable on each Note Payment Date quarterly in arrears
Other fees and expenses of the Issuer	Estimated at €180,000 per annum (exclusive of VAT)	Ahead of all outstanding Notes	Various

"**Outstanding Principal**" means, on any date, (i) the principal amount of a Loan minus (ii) the aggregate amount of all principal payments which have been paid prior to such date, in respect of a Loan.

"**Paying Agent**" means BNP Paribas Securities Services, Milan Branch, or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Post Note Enforcement Notice Priority of Payments**" means the Priority of Payments under Condition 6.4 (*Post Note Enforcement Notice Priority of Payments*).

[2] €39,000 (ex VAT) per annum. The Primary Servicing Fee equates to the agency fees (in aggregate) payable by the relevant Obligors to the Borrower Facility Agent for so long as the Delegate Primary Servicer and Borrower Facility Agent are the same entity.

"**Pre Note Enforcement Notice Expected Maturity Priority of Payments**" means the Priority of Payments under Condition 6.3 (*Pre Note Enforcement Notice Expected Maturity Priority of Payments*).

"**Pre Note Enforcement Notice Interest Priority of Payments**" means the Priority of Payments under Condition 6.1 (*Pre Note Enforcement Notice Interest Priority of Payments*).

"**Pre Note Enforcement Notice Principal Priority of Payments**" means the Priority of Payments under Condition 6.1(a) (*Pre Note Enforcement Notice Principal Priority of Payments*).

"**Primary Services**" means the activities to be carried out by the Primary Servicer including (prior to a Loan becoming a Specially Serviced Loan), taking all steps to preserve the Issuer's interests, processing and managing administrative and accounting data in relation to the Loan Portfolio and performing any other duties applicable to the Primary Servicer from time to time as specified under the Master Servicing Agreement.

"**Primary Servicer**" means the provider of the Primary Services which shall be, for so long as a Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Delegate Servicer, or if no Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Master Servicer, or any replacement Primary Servicer.

"**Principal Amount Outstanding**" means, on any date:

(a) the principal amount of a Note upon issue, minus

(b) the aggregate amount of all principal payments which have been paid prior to such date, in respect of such Note, and minus

(c) for all purposes other than in relation to (i) the definition of "Note Premium Amount" and (ii) Condition 7.1, Condition 7.7, Condition 8.1, Condition 8.4, Condition 8.5 and Condition 12.4, the NAI Shortfall Amount of such Note.

"**Principal Available Funds**" means, in respect of any Note Payment Date, the aggregate of:

(a) all amounts in respect of the Loans on account of principal received during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(b) all Recoveries in respect of principal collected by the Primary Servicer or Special Servicer during the immediately preceding Collection Period and credited to the Issuer Collection Account;

(c) any insurance proceeds received by the Issuer (other than those relating to loss of rent);

(d) the principal element of the Indemnity Value under the Loan Portfolio Sale Agreement received by the Issuer; and

(e) any other receipts of a principal nature.

"**Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds that shall be applied on each Note Payment Date prior to and/or following the service of a Note Enforcement Notice in accordance with the Conditions and the Intercreditor Agreement.

"**Property**" means each of the individual real estate assets included in the Property Portfolio.

"**Property Portfolio**" means the portfolio of properties comprising the Franc Property and the Vanguard Properties.

"**Property Protection Advance**" means the relevant payment in respect of a Property Protection Shortfall to be made by the Calculation Agent on behalf of the Issuer at the direction of the Primary Servicer, if certain additional requirements have been met.

"**Property Protection Drawing**" means a drawing made by the Calculation Agent, on behalf of the Issuer, pursuant to the Liquidity Facility Agreement in an amount equal to the relevant

Property Protection Advance on any given Business Day falling no less than 2 Business Days after receipt of notice from the Primary Servicer of a Property Protection Shortfall.

"**Property Protection Shortfall**" will arise if, on any day, a Borrower fails to pay amounts to insurers and there are insufficient funds available in the Borrowers' accounts to pay such amounts. A Property Protection Shortfall may be an amount identified as such by the Primary Servicer in a manner consistent with the relevant provisions of the Master Servicing Agreement.

"**Prospectus**" means the prospectus prepared in accordance with the Prospectus Directive for the purpose of article 5 of the Prospectus Directive in connection with the application for the Notes to be admitted to the official list of the Irish Stock Exchange.

"**Prospectus Directive**" means Directive 2003/71/EC as amended from time to time.

"**Quotaholder**" means SVM Securitisation Vehicle Management S.r.l.

"**Quotaholder's Agreement**" means the quotaholder agreement between the Issuer, the Originator, the Representative of the Noteholders, and the Quotaholder.

"**Rating Agency**" means each of Fitch and DBRS.

"**Receivables**" means any monetary rights and claims included in the Loan Portfolio and all amounts received by the Issuer (or any other person on the Issuer's behalf) in respect of and other monies due under a Loan and any other amounts whatsoever received by the Issuer in respect of a Loan.

"**Recoveries**" means any Receivable received or recovered by the Primary Servicer or, if a Loan has become a Specially Serviced Loan, the Special Servicer after the scheduled date of payment.

"**Reference Bank**" means the principal office in London of HSBC Bank plc, Lloyds Bank plc, Royal Bank of Scotland plc, Barclays plc, Deutsche Bank, JP Morgan or such other banks as may be appointed by the Primary Servicer, or if the relevant Loan is a Specially Serviced Loan, the Special Servicer.

"**Regulatory Servicer**" means the Master Servicer in its capacity as the provider of the Regulatory Services, or any replacement Regulatory Servicer.

"**Regulatory Services**" means the services provided by the Regulatory Servicer as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Italian Securitisation Law and, in such capacity, also ensuring compliance of the transaction with the provisions of articles 2.3, letter (c), and 2.6 of the Italian Securitisation Law.

"**Relevant Margin**" means the relevant margin specified in Condition 7.5 (*Rates of interest*).

"**Representative of the Noteholders**" means Securitisation Services S.p.A, or any other person for the time being acting as representative of the Noteholders.

"**Retention Amount**" means

(a) on the Note Payment Date falling in November 2014, €26,000;

(b) on the Note Payment Date falling in February 2015, €52,000;

(c) on the Note Payment Date falling in May 2015, €78,000; and

(d) thereafter, €104,000.

"**Rules**" means Rules of the Organisation of the Noteholders.

"**Rules of the Organisation of the Noteholders**" means the rules of the organisation of the Noteholders attached as Exhibit to the Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies Inc.

"**Securitisation**" means the securitisation of the Loan Portfolio made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Italian Securitisation Law.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement having a similar effect.

"**Servicing Standard**" means the standard according to which each of the Regulatory Servicer, Primary Servicer and Special Servicer will perform its duties on behalf of and for the benefit of the Issuer, such standard being in the following order of priority:

(a) all applicable laws and regulations;

(b) the terms of a Loan Document;

(c) the terms of the Master Servicing Agreement and, where applicable, the Delegate Servicing Agreement; and

(d) in each case and to the extent consistent with such terms, the higher of:

  (i) the same manner and with the same skill, care and diligence it applies to servicing similar loans for other third parties; or

  (ii) the standard of care, skill and diligence which it applies in servicing commercial mortgage loans in its own portfolio (to the extent that it holds mortgage loans in its own portfolio),

in each case giving due consideration to the customary and usual standards of practice of reasonably prudent commercial mortgage loan servicers servicing commercial mortgage loans which are similar to a Loan, with a view to the timely collection of all scheduled payments of principal, interest and other amounts due in respect of the Loan Portfolio and, if a Loan comes into, and continues to be in, default, maximising recoveries in respect of the Loan Portfolio on or before the Final Maturity Date for the Issuer.

"**Sole Arranger**" means Goldman Sachs International.

"**Special Servicer**" means the provider of the Special Services which shall be, for so long as a Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Delegate Servicer, or if no Delegate Servicer remains appointed pursuant to the Delegate Servicing Agreement, the Master Servicer, or any replacement Special Servicer.

"**Special Services**" means any activities related to the management, enforcement and recovery of the defaults and delinquencies under a Loan and will perform all other duties applicable to the Special Servicer from time to time in accordance with the Master Servicing Agreement.

"**Special Servicer Transfer Event**" means the event a Loan will become subject to if any of the following events occur:

(a) a Loan Event of Default pursuant to a Loan Agreement on a Loan Maturity Date;

(b) the relevant Borrower under a Loan Agreement becoming subject to any of the events listed in Clauses 25.6 (*Insolvency*), 25.7 (*Insolvency proceedings*) or 25.8 (*Creditor's process*) of either Loan Agreement;

(c) a Loan Event of Default pursuant to clause 25.6 (*Cross-default*) of either Loan Agreement; or

(d) any other Loan Event of Default as prescribed in a Loan Agreement occurs or is, in the opinion of the Primary Servicer exercised in accordance with the Servicing Standard, imminent and is not likely to be cured within 21 days, and, in each case, which would be likely to have a material adverse effect upon the interests of the Issuer.

"**Specially Serviced Loan**" means a Loan which comes into effect upon determination by the Primary Servicer that a Special Servicer Transfer Event has occurred and the Special Servicer will formally assume special servicing duties in respect of a Loan.

"**Specified Office**" means, with respect to the Paying Agent, its Italian branch at via Ansperto 5, 20123, Italy, or, with respect to any additional or other Paying Agent appointed pursuant to Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Subordinated Class X Amount**" means all Class X Interest Amount accruing after the occurrence of a Class X Trigger Event.

"**Subscription Agreement**" means the subscription agreement in relation to the Notes entered into on or about the date of this Prospectus between the Issuer, the Originator, the Representative of the Noteholders, the Lead Manager, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Subsidiary**" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

"**Tax Deduction**" means any present or future tax, levy, impost, duty charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying of any of the same, but excluding taxes or net income) imposed or levied by or on behalf of any tax authority in Italy.

"**Valuation**" means a valuation (*relazione*) of a property which forms part of the Property Portfolio, prepared on the basis of the market value as that term is defined in the then current Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

"**Vanguard Borrowers**" means:

(a) Vanguard Italian Bidco;

(b) La Scaglia;

(c) Brindisi .;

(d) Carpi; and

(e) Valdichiana.

"**Vanguard Borrower Account Bank**" means in respect of the Vanguard Borrowers Accounts located in Italy, ING Bank Italy, and in respect of the Vanguard Borrowers Accounts located in Luxembourg, ING Luxembourg S.A., or such other successor that becomes a Vanguard Borrowers Account Bank in accordance with the terms of the Vanguard Loan Agreement.

"**Vanguard Borrower Cash Trap Account**" means the account maintained by the Issuer and designated as such at the Vanguard Borrower Account Bank.

"**Vanguard Loan**" means the €120,175,962 loan which the Vanguard Original Borrowers borrowed on the Vanguard Utilisation Date, under the Vanguard Loan Agreement.

"**Vanguard Loan Agreement**" means the agreement dated 22 May 2014 between, amongst others, the Vanguard Original Borrowers, the Originator, the Borrower Facility Agent and the Borrower Security Agent.

"**Vanguard Loan Document**" has the meaning ascribed to the term "Finance Document" in the Vanguard Loan Agreement.

"**Vanguard Loan Maturity Date**" means 15 August 2019 (or if any such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).

"**Vanguard Loan Security**" means the Security granted by the Vanguard Borrower in favour of any Finance Party pursuant to the Vanguard Loan Security Agreements.

"**Vanguard Loan Security Agreements**" has the meaning ascribed to the term "Transaction Security Documents in the Vanguard Loan Agreement.

"**Vanguard Original Borrowers**" means:

(a) Vanguard Bidco S.à r.l.;

(b) Valdichiana Propco S.r.l.; and

(c) La Scaglia S.r.l.

"**VAT**" means *Imposta sul Valore Aggiunto* (IVA) as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time.

2.2 **Interpretation**

2.2.1 ***References in Condition***

Any reference in these Conditions to:

(a) "**holder**" and "**Holder**" mean the ultimate holder of a Note and the words "**holder**", "**Noteholder**" and related expressions shall be construed accordingly;

(b) a "**law**" shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

(c) "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or

partnership (whether or not having legal personality) of two or more of the foregoing;

(d) a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Issuer Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.2 ***Issuer Transaction Documents and other agreements***

Any reference to the Master Definitions Agreement, any other document defined as a "**Issuer Transaction Document**" or any other agreement, deed or document shall be construed as a reference to the Master Definitions Agreement, such other Issuer Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.2.3 ***Transaction parties***

A reference to any person defined as an "**Other Issuer Creditor**" in these Conditions or in any Issuer Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

2.2.4 ***Master Definitions Agreement***

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

3. FORM, TITLE AND DENOMINATION

3.1 Denomination

The Notes are issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

3.2 Form

The Notes are issued in dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidation Act and (ii) the Joint Regulation, as amended and supplemented from time to time.

3.3 Title and Monte Titoli

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holders. No physical documents of title will be issued in respect of the Notes.

3.4 The Rules

The rights and powers of the Noteholders may only be exercised in accordance with the Rules attached to these Conditions as an Exhibit which shall constitute an integral and essential part of these Conditions.

3.5 Rights under the Deed of Pledge

The rights arising from the Deed of Pledge are included in each Note.

4. STATUS, PRIORITY AND SEGREGATION

4.1 Status

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of a Loan and pursuant to the exercise of the Issuer's Rights, as further specified in Condition 9.2 (*Limited Recourse Obligations of Issuer*). The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" (aleatory agreement) under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian civil code.

4.2 Segregation by law and security

By virtue of the Italian Securitisation Law, the Issuer's right, title and interest in and to the Loan Portfolio is segregated from all other assets of the Issuer and from any other securitisation transaction carried out by the Issuer and any amount deriving therefrom (including any moneys and deposits held by or on behalf of the Issuer with other depositories) will only be available both before and after a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any third party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation. The Notes have the benefit of the Issuer Transaction Security over certain assets of the Issuer pursuant to the Deed of Pledge.

4.3 Ranking

4.3.1 Prior to the occurrence of a Class X Trigger Event:

(a) payments of interest on the Class A Notes and of the Class X Interest Amount will rank *pari passu*, but will rank at all times in priority to payments of interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

(b) payments of interest on the Class B Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes and payments of the Class X Interest Amount, but in priority to the payment of interest on the Class C Notes, the Class D Notes and the Class E Notes; and

(c) payments of interest on the Class C Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes, payments of the Class X Interest Amount and payments of interest on the Class B Notes, but in priority to the payment of interest on the Class D Notes and the Class E Notes.

(d) payments of interest on the Class D Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes, payments of the Class X Interest Amount, and payments of interest on the Class B Notes, the Class C Notes, but in priority to the payment of interest on the Class E Notes.

(e) payments of interest on the Class E Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes, payments of the Class X Interest Amount, and payments of interest on the Class B Notes, the Class C Notes and the Class D Notes.

4.3.2 Following the occurrence of a Class X Trigger Event:

(a) payments of interest on the Class A Notes will rank *pari passu,* but will rank at all times in priority to payments of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and payments of the Subordinated Class X Amount;

(b) payments of interest on the Class B Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes but in priority to the payment

of interest on the Class C Notes, the Class D Notes, the Class E Notes and payments of the Subordinated Class X Amount;

(c) payments of interest on the Class C Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes and Class B Notes, but in priority to payment of interest on the Class D Notes, the Class E Notes and payments of the Subordinated Class X Amount;

(d) payments of interest on the Class D Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes and Class B Notes and Class C Notes, but in priority to payment of interest on the Class E Notes and payments of the Subordinated Class X Amount;

(e) payments of interest on the Class E Notes will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes, Class B Notes, the Class C Notes and the Class D Notes, but in priority to payment of the Subordinated Class X Amount; and

(f) payments of the Subordinated Class X Amount will rank *pari passu,* but subordinate to the payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

4.3.3 Prior to the occurrence of a Sequential Payment Trigger, payments on the Notes of each Class (other than the Class X Notes) relating to the receipt by the Issuer of Principal Available Funds will rank *pari passu* and will be made in accordance with Condition 8.7 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

4.3.4 Prior to the delivery of a Note Enforcement Notice but following the occurrence of a Sequential Payment Trigger, on each Note Payment Date payments of principal of the Notes (other than the Class X Notes) relating to the receipt by the Issuer of all Principal Available Funds will rank as follows:

(a) payments of principal on the Class A Notes will rank *pari passu,* but in priority to the payment of principal on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

(b) payments of principal on the Class B Notes will rank *pari passu,* but subordinate to the payments of principal on the Class A Notes (and the Class X Interest Amount), but in priority to the payment of principal on the Class C Notes, the Class D Notes and the Class E Notes; and

(c) payments of principal on the Class C Notes will rank *pari passu,* but subordinate to the payments of principal on the Class A Notes (and the Class X Interest Amount) and the Class B Notes, but in priority to the payment of principal on the Class D Notes and the Class E Notes.

(d) payments of principal on the Class D Notes will rank *pari passu,* but subordinate to the payments of principal on the Class A Notes (and the Class X Interest Amount), the Class B Notes and the Class C Notes, but in priority to the payment of principal on the Class E Notes.

(e) payments of principal on the Class E Notes will rank *pari passu,* but subordinate to the payments of principal on the Class A Notes (and the Class X Interest Amount), the Class B Notes, Class C Notes and the Class D Notes.

4.3.5 In respect of the obligations of the Issuer to pay interest and principal on the Notes (other than the Class X Notes) relating to the receipt by the Issuer of all Issuer Available Funds following the occurrence of the Expected Maturity Date:

(a) payments of interest on the Class A Notes will rank *pari passu* between themselves, but in priority to payments of principal on the Class A Notes, and

payments of interest and principal on each Class of Notes ranking junior to the Class A Notes and the Subordinated Class X Amount.

(b) payments of principal on the Class A Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest on the Class A Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class A Notes and the Subordinated Class X Amount.

(c) payments of interest on the Class B Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes, but in priority to the payment of principal on the Class B Notes, and payments of interest and principal on each Class of Notes ranking junior to the Class B Notes and the Subordinated Class X Amount.

(d) payments of principal on the Class B Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes and payment of interest on the Class B Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class B Notes and the Subordinated Class X Amount.

(e) payments of interest on the Class C Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes and the Class B Notes, but in priority to the payment of principal on the Class C Notes, and payments of interest and principal on each Class of Notes ranking junior to the Class C Notes and the Subordinated Class X Amount.

(f) payments of principal on the Class C Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes and the Class B Notes, and payment of interest on the Class C Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class C Notes and the Subordinated Class X Amount.

(g) payments of interest on the Class D Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes and the Class C Notes, but in priority to the payment of principal on the Class D Notes, and payments of interest and principal on each Class of Notes ranking junior to the Class D Notes and the Subordinated Class X Amount.

(h) payments of principal on the Class D Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Note, the Class B Notes and the Class C Notes, and payment of interest on the Class D Notes, but in priority to payments of interest and principal on each Class of Notes ranking junior to the Class D Notes and the Subordinated Class X Amount.

(i) payments of interest on the Class E Notes will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but in priority to the payment of principal on the Class E Notes and the Subordinated Class X Amount.

(j) payments of principal on the Class E Notes, will rank *pari passu* between themselves, but subordinate to the payments of interest and principal on the Class A Note, the Class B Notes, the Class C Notes and the Class D Notes, and payment of interest on the Class E Notes, but in priority to payments of the Subordinated Class X Amount.

(k) payment of the Subordinated Class X Amount will rank subordinate to the payment of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

4.3.6 Following the delivery of a Note Enforcement Notice:

(a) payments of interest and principal on the Class A Notes will rank *pari passu,* but in priority to payments of interest and principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Class X Amount;

(b) payments of interest and principal on the Class B Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, but in priority to the payment of interest and principal on the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Class X Amount;

(c) payments of interest and principal on the Class C Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, and the Class B Notes but in priority to the payment of interest and principal on the Class D Notes, the Class E Notes and the Subordinated Class X Amount; and

(d) payments of interest and principal on the Class D Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes and the Class C Notes, but in priority to the payment on the Class E Notes and the Subordinated Class X Amount; and

(e) payments of interest and principal on the Class D Notes will rank *pari passu,* but subordinate to the payments of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but in priority to the payment of the Subordinated Class X Amount;

(f) payment of the Subordinated Class X Amount will rank subordinate to the payment of interest and principal on the Class A Notes, the Class B Notes, the Class C Notes, and the Class D Notes and the Class E Notes.

4.4 **Obligations of Issuer only**

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

5. **ISSUER COVENANTS**

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in any of the Issuer Transaction Documents:

5.1 **Negative pledge**

create or permit to subsist any Security Interest whatsoever over the Loan Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of a Loan or any of its assets.

5.2 **Restrictions on activities**

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, or with any of the activities in which the Issuer Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any subsidiary (*società controllata* as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Issuer Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Issuer Transaction Documents; or

5.2.4 become the owner of any real estate asset, including in the context of enforcement proceedings relating to a Property.

5.3 **Dividends or distributions**

pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholder, or increase its capital, save as required by applicable law.

5.4 **De-registrations**

ask for de-registration from the register of special purpose vehicles (*elenco delle società veicolo*) held by Bank of Italy under article 4 of the Bank of Italy's regulation dated 29 April 2011, for as long as the Italian Securitisation Law, the Consolidated Banking Act or any other applicable law or regulation requires issuers of notes issued under the Italian Securitisation Law or companies incorporated pursuant to the Italian Securitisation Law to be registered thereon.

5.5 **Borrowings**

incur any indebtedness in respect of borrowed money whatsoever (including by way of further notes or further securitisation), or give any guarantee, indemnity or security in respect of any indebtedness or other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others.

5.6 **Merger**

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity.

5.7 **No variation or waiver**

permit any of the Issuer Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Issuer Transaction Documents to which it is a party, or permit any party to any of the Issuer Transaction Documents to which it is a party to be released from such obligations.

5.8 **Bank accounts**

have an interest in any bank account other than the Issuer Accounts, Quota Capital Account, or any other bank account opened pursuant to the terms of the Issuer Transaction Documents.

5.9 **Statutory documents**

amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo)* except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities.

5.10 **Corporate records, financial statements and books of account**

cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity.

5.11 **Disposal of Assets**

not transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire the Loan Portfolio or any other of its assets or undertaking or any interest, estate, right, title or benefit therein other than as expressly contemplated by the Issuer Transaction Documents.

5.12 **Assets**

not own assets other than those representing its share capital, the Issuer Accounts, any tax refund, the property, rights and assets secured by the Issuer Transaction Security and associated and ancillary rights and interests thereto, the benefit of the Issuer Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time.

5.13 **Equitable Interest**

not permit any person other than the Issuer and the Representative of the Noteholders to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein except as otherwise provided for in the Issuer Transaction Documents.

5.14 **U.S. Activities**

not engage, or permit any of its Affiliates, to engage, in any activities in the United States (directly or through agents), derive, or permit any of its Affiliates to derive, any income from sources within the United States as determined under United States federal income tax principles, and hold, or permit any of its Affiliates to hold, any property that would cause it or any of its Affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States federal income tax principles.

5.15 **Independent Directors**

ensure that at all times all of its directors act independently of any of its creditors, other than the Corporate Servicer, or their respective Affiliates.

5.16 **Separate Issuer Accounts**

maintain its records, books of account and bank accounts separate and apart from any other person or entity and maintain such books and records in the ordinary course of its business.

5.17 **Separate Identity**

5.17.1 correct any known misunderstandings regarding its separate identity from any of its members, general partners, principals or Affiliates thereof or any other person;

5.17.2 not fail to hold itself out to the public as a legal entity separate and distinct from any other person, to conduct its business solely in its own name or mislead others as to the identity with which such other party is transacting business;

5.17.3 not have its assets listed on the accounts or financial statements of any other entity; and

5.17.4 not commingle its assets with those of any other person or entity.

In giving any consent to the foregoing, the Representative of the Noteholders may require (not being obliged) the Issuer to make such modifications or additions to the provisions of any of the Issuer Transaction Documents (and may itself consent thereto on behalf of Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.

6. **PRIORITY OF PAYMENTS**

6.1 **Pre Note Enforcement Notice Interest Priority of Payments**

Prior to the delivery of a Note Enforcement Notice, and prior to the Expected Maturity Date or upon full redemption of all the Notes pursuant to any provision of Condition 8 (*Redemption, Purchase and Cancellation*), the Interest Available Funds and the Loan Prepayment Fee Amounts shall be applied on each Note Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) *First*, to pay or allocate for payment during the following Note Interest Period, pari passu and pro rata according to the respective amounts thereof, any Issuer Expenses (to the extent that amounts standing to the credit of the Issuer Expenses Account have been insufficient to pay such costs during the immediately preceding Note Interest Period);

(b) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Issuer Transaction Documents;

(c) *Third*, to credit into the Issuer Expenses Account on each Note Payment Date such amount as will maintain the balance of such account at (but not in excess of) the Retention Amount;

(d) *Fourth* to pay, pari passu and pro rata according to the respective amounts thereof, any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Note Payment Date to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer and the Delegate Servicer;

(e) *Fifth*, to pay any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(f) *Sixth*, on each Note Payment Date prior to (but not including) the final redemption in full of the Notes, to credit an amount up to the amount of any Default Interest received by the Issuer during the immediately preceding Collection Period to the Default Interest Ledger;

(g) *Seventh*, to pay pari passu and pro rata, (i) all amounts of interest due and payable on the Class A Notes, any Allocated Note Prepayment Fee Amount payable on the Class A Notes, and (ii) prior to a Class X Trigger Event (and excluding any amounts drawn pursuant to a Liquidity Drawing), the Class X Interest Amount and (iii) any Class X1 Allocated Note Prepayment Fee Amount payable to the Class X1 Noteholder on such Note Payment Date;

(h) *Eighth*, to pay, pari passu and pro rata, all amounts of interest due and payable on the Class B Notes and any Allocated Note Prepayment Fee Amount payable on the Class B Notes on such Note Payment Date;

(i) *Ninth*, to pay, pari passu and pro rata, all amounts of interest due and payable on the Class C Notes and any Allocated Note Prepayment Fee Amount payable on the Class C Notes on such Note Payment Date;

(j) *Tenth*, to pay, pari passu and pro rata, all amounts of interest due and payable on the Class D Notes and any Allocated Note Prepayment Fee Amount payable on the Class D Notes on such Note Payment Date;

(k) *Eleventh*, to pay, pari passu and pro rata, all amounts of interest due and payable on the Class E Notes and any Allocated Note Prepayment Fee Amount payable on the Class E Notes on such Note Payment Date;

(l) *Twelfth*, any Note Premium Amount due and payable on the Class A Notes;

(m) *Thirteenth*, any Note Premium Amount due and payable on the Class B Notes;

(n) *Fourteenth*, any Note Premium Amount due and payable on the Class C Notes;

(o) *Fifthteenth*, any Note Premium Amount due and payable on the Class D Notes;

(p) *Sixteenth*, any Note Premium Amount due and payable on the Class E Notes;

(q) *Seventeenth*, to pay any Liquidity Subordinated Amounts;

(r) *Eighteenth*, following the occurrence of a Class X Trigger Event, (i) an amount up to the applicable Subordinated Class X Amount, and (ii) any Class X1 Allocated Note Prepayment Fee Amount due and payable to the Class X1 Noteholder; and

(s) *Nineteenth*, payment of any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator,

provided that Liquidity Drawings shall not be available to make payments of Allocated Note Prepayment Fee Amount, Note Premium Amount, interest payable on the Notes other than the Most Senior Class of Notes, amounts due on the Class X Notes or the Class E Notes or any amounts due to the Originator.

6.2 **Pre Note Enforcement Notice Principal Priority of Payments**

Prior to the delivery of a Note Enforcement Notice, and prior to the Expected Maturity Date, the Principal Available Funds, the Class X Redemption Amounts shall be applied on each Note Payment Date in making the following payments in the following order of priority, (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) *First*, following application of Interest Available Funds in accordance with the Pre Note Enforcement Notice Interest Priority of Payments, the Liquidity Repayment Amount;

(b) *Second*, to pay pari passu and pro rata, (i) the lesser of the Class A Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class A Notes and (ii) any principal amounts due and payable on the Class X Notes;

(c) *Third*, to pay the lesser of the Class B Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class B Notes;

(d) *Fourth*, to pay the lesser of the Class C Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class C Notes;

(e) *Fifth*, to pay the lesser of the Class D Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class D Notes; and

(f) *Sixth*, to pay the lesser of the Class E Principal Payment Amount due and payable and the Principal Amount Outstanding of the Class E Notes; and

(g) *Seventh*, to pay any surplus in accordance with the Pre Note Enforcement Notice Interest Priority of Payments.

6.3 **Pre Note Enforcement Notice Expected Maturity Priority of Payments**

Prior to the service of a Note Enforcement Notice and following the occurrence of the Expected Maturity Date, the Issuer Available Funds shall be applied on each Note Payment Date, in the manner and in the following order of priority, (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full):

(a) *First*, to pay or allocate for payment during the following Note Interest Period, pari passu and pro rata according to the respective amounts thereof, any Issuer Expenses (to the extent that amounts standing to the credit of the Issuer Expenses Account have been insufficient to pay such costs during the immediately preceding Note Interest Period);

(b) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Issuer Transaction Documents;

(c) *Third*, to credit into the Issuer Expenses Account such amount as will maintain the balance of such account at (but not in excess of) the Retention Amount;

(d) *Fourth*, to pay, pari passu and pro rata according to the respective amounts thereof any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Note Payment Date to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer and the Delegate Servicer;

(e) *Fifth*, to pay any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(f) *Sixth*, on each Note Payment Date prior to (but not including) the final redemption in full of the Notes, to credit an amount up to the amount of any Default Interest received by the Issuer during the immediately preceding Collection Period to the Default Interest Ledger;

(g) *Seventh*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest on the Class A Notes;

(h) *Eighth*, to pay, pari passu and pro rata, all amounts outstanding in respect of principal on the Class A Notes;

(i) *Ninth*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest on the Class B Notes;

(j) *Tenth*, to pay, pari passu and pro rata, all amounts outstanding in respect of principal on the Class B Notes;

(k) *Eleventh*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest on the Class C Notes;

(l) *Twelfth*, to pay, pari passu and pro rata, all amounts outstanding in respect of principal on the Class C Notes;

(m) *Thirteenth*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest on the Class D Notes;

(n) *Fourteenth*, to pay, pari passu and pro rata, all amounts outstanding in respect of principal on the Class D Notes;

(o) *Fifteenth*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest on the Class E Notes;

(p) *Sixteenth*, to pay, pari passu and pro rata, all amounts outstanding in respect of principal on the Class E Notes;

(q) *Seventeenth*, any Note Premium Amount due and payable on the Class A Notes;

(r) *Eighteenth*, any Note Premium Amount due and payable on the Class B Notes;

(s) *Nineteenth*, any Note Premium Amount due and payable on the Class C Notes;

(t) *Twentieth*, any Note Premium Amount due and payable on the Class D Notes;

(u) *Twenty-first*, any Note Premium Amount due and payable on the Class E Notes;

(v) *Twenty-second*, to pay any Liquidity Subordinated Amounts;

(w) *Twenty-third*, an amount up to the applicable Subordinated Class X Amount, and any principal amounts due and payable on the Class X Notes; and

(x) *Twenty-fourth*, payment of any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator,

provided that Liquidity Drawings shall not be available to make payments of Note Premium Amount, interest payable on the Notes other than the Most Senior Class of Notes, amounts due on the Class X Notes or the Class E Notes or any amounts due to the Originator.

6.4 **Post Note Enforcement Notice Priority of Payments**

On each Note Payment Date following the delivery of a Note Enforcement Notice, the Issuer Available Funds shall be applied in making the following payments in the following order of priority, (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) *First*, to pay, pari passu and pro rata according to the respective amounts thereof, any Issuer Expenses (to the extent that amounts standing to the credit of the Issuer Expenses Account have been insufficient to pay such costs during the immediately preceding Note Interest Period);

(b) *Second*, to pay the remuneration due to the Representative of the Noteholders and to pay any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Issuer Transaction Documents;

(c) *Third*, to credit into the Issuer Expenses Account on each Note Payment Date such amount as will maintain the balance of such account at (but not in excess of) the Retention Amount;

(d) *Fourth*, to pay, pari passu and pro rata according to the respective amounts thereof any amount due and payable on account of remuneration, indemnities or proper costs and expenses incurred by the relevant agent on such Note Payment Date to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer and the Delegate Servicer;

(e) *Fifth*, to pay any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(f) *Sixth*, on each Note Payment Date prior to (but not including) the final redemption in full of the Notes, to credit an amount up to the amount of any Default Interest received by the Issuer during the immediately preceding Collection Period to the Default Interest Ledger;

(g) *Seventh*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest and principal payable on the Class A Notes and any Allocated Note Prepayment Fee Amount payable on the Class A Notes;

(h) *Eighth*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest and principal payable on the Class B Notes and any Allocated Note Prepayment Fee Amount payable on the Class B Notes;

(i) *Ninth*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest and principal payable on the Class C Notes and any Allocated Note Prepayment Fee Amount payable on the Class C Notes;

(j) *Tenth*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest and principal payable on the Class D Notes and any Allocated Note Prepayment Fee Amount payable on the Class D Notes;

(k) *Eleventh*, to pay, pari passu and pro rata, all amounts outstanding in respect of interest and principal payable on the Class E Notes and any Allocated Note Prepayment Fee Amount payable on the Class E Notes;

(l) *Twelfth*, any Note Premium Amount due and payable on the Class A Notes;

(m) *Thirteenth*, any Note Premium Amount due and payable on the Class B Notes;

(n) *Fourteenth*, any Note Premium Amount due and payable on the Class C Notes;

(o) *Fifteenth*, any Note Premium Amount due and payable on the Class D Notes;

(p) *Sixteenth*, any Note Premium Amount due and payable on the Class E Notes;

(q) *Seventeenth*, to pay any Liquidity Subordinated Amounts;

(r) *Eighteenth*, (i) an amount up to the applicable Subordinated Class X Amount, (ii) any Class X1 Allocated Note Prepayment Fee Amount due and payable to the Class X1 Noteholder and (iii) any principal amounts due and payable on the Class X Notes; and

(s) *Nineteenth*, payment of any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator,

provided that Liquidity Drawings shall not be available to make payments of Allocated Note Prepayment Fee Amount, Note Premium Amount, interest payable on the Notes other than the Most Senior Class of Notes, amounts due on the Class X Notes or the Class E Notes or any amounts due to the Originator.

7. INTEREST

7.1 Accrual of interest

Each Note (other than the Class X Notes) bears interest on its Principal Amount Outstanding (for the avoidance of doubt, without adjustment for any NAI Shortfall Amount) from (and including) the Issue Date. The Class X1 Note shall bear interest on its Principal Amount Outstanding from (and including) the Issue Date to, and including, the Note Payment Date immediately following the Call Protection Period. The Class X2 Note shall bear interest on its Principal Amount Outstanding from and excluding the Note Payment Date immediately following the Call Protection Period.

7.2 Note Payment Dates and Note Interest Periods

Interest in respect of the Notes will accrue on a daily basis and will be payable in Euro in arrears on each Note Payment Date in respect of the preceding Note Interest Period. The first Note Payment Date is the Note Payment Date falling in November 2014 in respect of the first Note Interest Period.

7.3 Cessation of interest accrual

Other than the Class X1 Note, each Note (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that day are received by the relevant Noteholder or the Representative of the Noteholders, or the Paying Agent receives all amounts due on behalf of all such Noteholders.

7.4 Calculation of interest

Interest in respect of any Note Interest Period or any other period shall be calculated on the basis of the actual number of days elapsed and a 360 day year (the "**Day Count Fraction**").

7.5 Rates of interest

7.5.1 The interest rate payable from time to time in respect of each class of Notes (other than the Class X Notes) (each a "**Note Interest Rate**" and together the "**Note Interest Rates**") will be determined by the Paying Agent on behalf of the Issuer on the basis of the following provisions.

7.5.2 The Note Interest Rate applicable to the Class A Notes for each Note Interest Period, including the first Note Interest Period, shall be the aggregate of three-month Note EURIBOR plus a margin of 1.48 per cent. per annum except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in Euro will be substituted for three-month Note EURIBOR.

7.5.3 The Note Interest Rate applicable to the Class B Notes for each Note Interest Period, including the first Note Interest Period, shall be the aggregate of three-month Note EURIBOR plus a margin of 1.90 per cent. per annum except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in Euro will be substituted for three-month Note EURIBOR.

7.5.4 The Note Interest Rate applicable to the Class C Notes for each Note Interest Period, including the first Note Interest Period, shall be the aggregate of three-month Note EURIBOR plus a margin of 2.55 per cent. per annum except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in Euro will be substituted for three-month Note EURIBOR.

7.5.5 The Note Interest Rate applicable to the Class D Notes for each Note Interest Period, including the first Note Interest Period, shall be the aggregate of three-month Note EURIBOR plus a margin of 3.30 per cent. per annum except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in Euro will be substituted for three-month Note EURIBOR.

7.5.6 The Note Interest Rate applicable to the Class E Notes for each Note Interest Period, including the first Note Interest Period, shall be the aggregate of three-month Note EURIBOR plus a margin of 4.10 per cent. per annum except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in Euro will be substituted for three-month Note EURIBOR.

7.5.7 From the Issue Date to and including the Note Payment Date immediately following the expiry of the Call Protection Period, the amount of interest due on the Class X1 Note with respect to any Note Payment Date is equal to the Class X Interest Amount for the preceding Note Interest Period, and is thereafter zero. From and excluding the Note Payment Date immediately following the expiry of the Call Protection Period, the amount of interest due on the Class X2 Note with respect to any Note Payment Date is equal to the Class X Interest Amount for the preceding Note Interest Period. Prior to and including the Note Payment Date immediately following the expiry of the Call Protection Period, the amount of interest due on the Class X2 Note with respect to any Note Payment Date is zero.

The "**Class X Interest Amount**" means for any Note Payment Date the Interest Available Funds (other than Liquidity Drawings) received on a Loan during the related Collection Period (excluding Default Interest), (plus following the date on which the Notes (other than the Class X Notes) are redeemed in full, any balance credited to the Default Interest Ledger), minus the aggregate of:

(a) the Administrative Fees that are payable by the Issuer on such Note Payment Date or that have been paid by the Issuer since the most recent Note Payment Date;

(b) the Note Interest Payment Amounts payable on such Note Payment Date (which includes, without double counting, any NAI Interest Amount in respect of the Notes); and

(c) any NAI Shortfall Amounts.

"**Administrative Fees**" shall mean, for any Note Payment Date, the aggregate of the following ongoing amounts (including all VAT payable and including any future increases to any amount payable in accordance with the Issuer Transaction Documents):

(a) any Issuer Expenses;

(b) the remuneration due to the Representative of the Noteholders and any indemnity amounts properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Issuer Transaction Documents;

(c) on each Note Payment Date, to credit the Issuer Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

(d) without double counting, any Other Issuer Creditor Fees and Expenses to the extent that such Other Issuer Creditor Fees and Expenses are not included in (a), (b), (c), (e) or (f);

(e) any Primary Servicing Fee to the extent that such fee, or the full amount of such fee, is not paid by a Borrower to the Borrower Facility Agent; and

(f) any amounts due to the Liquidity Facility Provider.

7.6 **Payment of Interest, Administrative Fees and Note Premium Amount**

7.6.1 Payment of Interest on the Notes (other than the Class X Notes), payment of the Class X Interest Amount and payment of Administrative Fees shall be paid out of Interest Available Funds standing to the credit of the Issuer Payments Account on each Note Payment Date in accordance with the relevant Priority of Payments.

7.6.2 For each Note Interest Period commencing on the Note Payment Date immediately preceding the Franc Loan Maturity Date payments in respect of the Notes (if any) that represent a Note Premium Amount will be subordinated to inter alia payment of interest and principal on the Notes and applied in accordance with the relevant Priority of Payments.

7.7 **Calculation of Note Interest Payment Amounts, Interest Deferral, NAI Unpaid Amount Deferral and Interest Cap**

7.7.1 The Issuer shall on each Note Interest Determination Date determine or cause the Paying Agent to determine:

(a) the Note Interest Rate applicable to the Notes for the next Note Interest Period beginning on the Note Payment Date following Note Interest Determination Date (or, in case of the first Note Interest Period, beginning on and including the Issue Date);

(b) the aggregate Euro amount (the "**Note Interest Payment Amount**") of interest payable on each Note (other than the Class X Notes) at its respective Relevant Margin in respect of the following Note Interest Period, calculated by:

(i) applying the relevant Note Interest Rate to the Principal Amount Outstanding of each Notes (for the avoidance of doubt, without adjustment for any NAI Shortfall Amount) (other than the Class X Notes) on the Note Payment Date at the commencement of such Note Interest Period (or, in the case of the first Note Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Note Payment Date); and

(ii) multiplying (i) above by: (A) the actual number of days in the Note Interest Period, divided by 360, and (B) rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.7.2 On each Note Payment Date following a Final Recovery Determination in respect of a Loan which has not been repaid in full, a portion of the NAI Interest Amount shall be deferred to the following Note Payment Date to the extent that there are insufficient Interest Available Funds to pay the NAI Interest Amount on the Note Payment Date

immediately following the relevant Final Recovery Determination for that Loan (such deferred portion of the NAI Interest Amount being the "**NAI Unpaid Amount**"). The NAI Unpaid Amount shall be applied to the Classes of Notes in a reverse sequential order beginning with the most subordinate Class of Notes then outstanding.

On the Note Payment Date immediately following any Calculation Date on which an NAI Shortfall Amount has been determined, the Principal Amount Outstanding of the Notes will, for all purposes other than Condition 7.1, Condition 7.7, Condition 8.1, Condition 8.4, Condition 8.5 and Condition 12.4 be reduced by an amount equal to such NAI Shortfall Amount. This shall be applied in a reverse sequential order, first to the most subordinate Class of Notes then outstanding, until the Principal Amount Outstanding of each Class of Notes is reduced to zero.

No Liquidity Drawing may be made to cover payment of any NAI Interest Amount, and such NAI Interest Amount shall be paid out of Interest Available Funds in priority to the payment of the Class X Interest Amount.

7.7.3 On each subsequent Note Payment Date, to the extent that there are insufficient Interest Available Funds to pay any NAI Unpaid Amount from previous Note Payment Dates following payment of the NAI Interest Amount payable on that Note Payment Date (i) any NAI Unpaid Amount from a previous Note Payment Date, together with (ii) any unpaid NAI Unpaid Amount in respect of the current Note Payment Date (together "**Accrued NAI Unpaid Amounts**") shall again be deferred to the next Note Payment Date. All NAI Unpaid Amounts will, to the extent of Issuer Available Funds, become due upon final redemption of the Notes.

To the extent that there are surplus Interest Available Funds on any Note Payment Date following payment of all amounts (except for payment of the Class X Interest Amount) due and payable on such Note Payment Date, such Interest Available Funds shall be re-categorised as Principal Available Funds to reduce the NAI Shortfall Amount applied in sequential order starting with the Most Senior Class of Notes to which an NAI Shortfall Amount has been allocated, and will be repaid to Noteholders being applied in sequential order starting with the Most Senior Class of Notes in accordance with the relevant Priority of Payments.

7.7.4 Save as provided for in Conditions 7.7.2 and 7.7.3 above, to the extent that funds available to the Issuer to pay interest or any Note Premium Amount (other than Subordinated Class X Amounts) on any Class of Notes (other than any interest on the Most Senior Class of Notes) on a Note Payment Date are insufficient to pay the full amount of the aggregate Note Interest Payment Amount due on that Class of Notes (taking into account any cap on the Note Interest Payment Amount in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes at the Class B Adjusted Note Interest Payment Amount, Class C Adjusted Note Interest Payment Amount, Class D Adjusted Note Interest Payment Amount or Class E Adjusted Note Interest Payment Amount, as applicable), then the amount of the shortfall (the "**Deferred Interest**") shall not be paid on that Note Payment Date and shall be paid on the following Note Payment Date in accordance with the relevant Priority of Payments.

7.7.5 The Issuer shall, in respect of each affected class of Notes, create a provision in its accounts for the relevant Deferred Interest on the relevant Note Payment Date. Such Deferred Interest shall not accrue interest, and shall be payable on the earlier of:

(a) any succeeding Note Payment Date when any such Deferred Interest shall be paid, but only if and to the extent that, on such Note Payment Date, there are sufficient Interest Available Funds, after deducting amounts ranking in priority to the relevant class of Notes in accordance with the Pre Note Enforcement Notice Interest Priority of Payments or, as applicable, the Pre Note Enforcement Notice Expected Maturity Priority of Payments; and

(b) the date on which the relevant Notes are due to be redeemed in full.

7.7.6 Subject to Condition 7.7.10 and 7.7.11 below, for so long as the Class B Notes are not the Most Senior Class of Notes, the interest due and payable in respect of the Class B Notes is subject, on any Note Payment Date, to a maximum amount (the "**Class B Interest Cap**") equal to the lesser of:

(a) the aggregate Note Interest Payment Amount payable on the Class B Notes for such Note Interest Period; and

(b) an amount (the "**Class B Adjusted Note Interest Payment Amount**") equal to:

(i) the Interest Available Funds in respect of such Note Payment Date (excluding, for avoidance of doubt, the amount available for drawing by way of Interest Drawing under the Liquidity Facility Agreement on such Note Payment Date), less

(ii) the sum of all amounts payable out of Interest Available Funds on such Note Payment Date in priority to the payment of interest on the Class B Notes in accordance with the relevant Priority of Payments.

7.7.7 Subject to Condition 7.7.10 and 7.7.11 below, for so long as the Class C Notes are not the Most Senior Class of Notes, the interest due and payable in respect of the Class C Notes is subject, on any Note Payment Date, to a maximum amount (the "**Class C Interest Cap**") equal to the lesser of:

(a) the aggregate Note Interest Payment Amount payable on the Class C Notes for such Note Interest Period; and

(b) an amount (the "**Class C Adjusted Note Interest Payment Amount**") equal to:

(i) the Interest Available Funds in respect of such Note Payment Date (excluding, for avoidance of doubt, the amount available for drawing by way of Interest Drawing under the Liquidity Facility Agreement on such Note Payment Date), less

(ii) the sum of all amounts payable out of Interest Available Funds on such Note Payment Date in priority to the payment of interest on the Class C Notes in accordance with the relevant Priority of Payments.

7.7.8 Subject to Condition 7.7.10 and 7.7.11 below, for so long as the Class D Notes are not the Most Senior Class of Notes, the interest due and payable in respect of the Class D Notes is subject, on any Note Payment Date, to a maximum amount (the "**Class D Interest Cap**") equal to the lesser of:

(a) the aggregate Note Interest Payment Amount payable on the Class D Notes for such Note Interest Period; and

(b) an amount (the "**Class D Adjusted Note Interest Payment Amount**") equal to:

(i) the Interest Available Funds in respect of such Note Payment Date (excluding, for avoidance of doubt, the amount available for drawing by way of Interest Drawing under the Liquidity Facility Agreement on such Note Payment Date), less

(ii) the sum of all amounts payable out of Interest Available Funds on such Note Payment Date in priority to the payment of interest on the Class D Notes in accordance with the relevant Priority of Payments.

7.7.9 Subject to Condition 7.7.10 and 7.7.11 below, for so long as the Class E Notes are not the Most Senior Class of Notes, the interest due and payable in respect of the Class E

Notes is subject, on any Note Payment Date, to a maximum amount (the "**Class E Interest Cap**") equal to the lesser of:

(a) the aggregate Note Interest Payment Amount payable on the Class E Notes for such Note Interest Period; and

(b) an amount (the "**Class E Adjusted Note Interest Payment Amount**") equal to:

(i) the Interest Available Funds in respect of such Note Payment Date (excluding, for avoidance of doubt, the amount available for drawing by way of Interest Drawing under the Liquidity Facility Agreement on such Note Payment Date), less

(ii) the sum of all amounts payable out of Interest Available Funds on such Note Payment Date in priority to the payment of interest on the Class E Notes in accordance with the relevant Priority of Payments.

7.7.10 Only if the difference between the aggregate Note Interest Payment Amount applicable to the Class B Notes and the Class B Adjusted Note Interest Payment Amount, Class C Notes and the Class C Adjusted Note Interest Payment Amount, the Class D Notes and the Class D Adjusted Note Interest Payment Amount or the Class E Notes and the Class E Adjusted Note Interest Payment Amount is attributable to (i) an increase in the weighted average margin of the Notes; or (ii) a reduction in the interest payable on the Loans by the operation of the Italian Usury Law shall:

(a) the Class B Interest Cap, the Class C Interest Cap, the Class D Interest Cap or the Class E Interest Cap (as applicable) apply;

(b) the amounts of interest that would otherwise be represented by any such difference be extinguished on such Note Payment Date; and

(c) the affected Class B Noteholders, Class C Noteholders, Class D Noteholders or Class E Noteholders have no claim against the Issuer in respect thereof.

7.7.11 The Class B Interest Cap, the Class C Interest Cap, the Class D Interest Cap or the Class E Interest Cap (as applicable) shall not apply to a Class of Notes to the extent that such Class of Notes is the Most Senior Class of Notes then outstanding.

7.7.12 Following the occurrence of a Class X Trigger Event, payment of Subordinated Class X Amounts will be subordinated to the payment of interest and repayment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subordinated Class X Amounts shall only be paid if there is sufficient cash on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid on or provided for. Issuer Available Funds representing Default Interest which have not been applied towards payment of items ranking above the Subordinated Class X Amounts will be credited to the Issuer Payments Account and will form part of Issuer Available Funds on each subsequent Note Payment Date. Following redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, any remaining amounts of Default Interest shall be credited to the Default Interest Ledger.

7.7.13 On each Note Payment Date on which Subordinated Class X Amounts accrue but are unpaid, the Issuer shall create a provision in its accounts for the related accrued but unpaid Subordinated Class X Amounts.

7.8 Notification of Note Interest Payment Amount and Note Payment Date

As soon as practicable (and in any event not later than the close of business on the relevant Note Interest Determination Date), the Issuer (or the Paying Agent on its behalf) will cause:

7.8.1 the Note Interest Rate for the Notes for the related Note Interest Period;

7.8.2 the Note Interest Payment Amount for each Note for the related Note Interest Period (including, for the Note the impact of any Class B Interest Cap, Class C Interest Cap, Class D Interest Cap or Class E Interest Cap); and

7.8.3 the Note Payment Date in respect of each such Note Interest Payment Amount,

to be notified to the Master Servicer, the Special Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, Monte Titoli and the Irish Stock Exchange and will cause the same to be published in accordance with Condition 20 (*Notices*) on or as soon as possible after the relevant Note Interest Determination Date.

7.9 **Note Payment Dates and Note Interest Periods**

7.9.1 Subject to this Condition 7.9.1, interest on the Notes is, subject as provided in this Condition 7 (*Interest*), payable quarterly in arrears on 22 February, 22 May, 22 August and 22 November in each year (or, if such day is not a Business Day, the next following Business Day unless such Business Day falls in the next following calendar month) (each, a Note Payment Date) in respect of the Note Interest Period ending immediately prior thereto.

7.9.2 The first Note Payment Date in respect of each Class of Notes is the Note Payment Date falling in November 2014 in respect of the period from (and including) the Issue Date to (but excluding) that Note Payment Date.

7.10 **Amendments to publications**

The Note Interest Rate, the Note Interest Payment Amount and the Note Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Note Interest Period.

7.11 **Determination by the Representative of the Noteholders**

7.11.1 If the Issuer does not at any time for any reason calculate (or cause to be calculated) the Note Interest Rate and the Note Interest Payment Amount or the Class X Interest Amount in accordance with this Condition 7 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall (i) determine (or cause to be determined) the Note Interest Rate for the Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and (ii) determine (or cause to be determined) the Note Interest Payment Amount for the Notes in the manner specified in Condition 7.7 (*Calculation of Note Interest Payment Amounts, Interest Deferral and Interest Cap*) and such determination shall be deemed to have been made by the Issuer.

7.11.2 The Representative of the Noteholders shall have no liability to any person (other than the Issuer) in connection with any determination or calculation made by it or its agent pursuant to this Condition 7.11 (*Determination by the Representative of the Noteholders*) or any failure to make such determination or calculation or any failure to appoint such an agent willing or able to make such determination or calculation, and the Representative of the Noteholders shall not be in any way responsible for any liabilities incurred by reason of misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent, **provided that** such agent has been selected by the Representative of the Noteholders among financial institutions having certified experience in making the above determination and calculation and already acting as calculation agent in other securitisation transactions.

7.12 **Notifications to be final**

Each notification, calculation and quotation given, expressed, made or obtained for the purposes of this Condition 7 (*Interest*), whether by the Reference Banks (or any of them), the Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful misconduct or manifest error) be binding on all persons.

7.13 **Reference Banks**

The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be three Reference Banks.

7.14 **Non Payment of Interest**

There shall be no Note Event of Default caused by reason only of the non payment when due of interest on any Class of Notes other than for non-payment of interest on the Most Senior Class of Notes then outstanding.

7.15 **Default Interest Ledger**

7.15.1 Default Interest received by the Issuer shall form part of Interest Available Funds. On each Note Payment Date, an amount of the Interest Available Funds up to an amount equal to the Default Interest received by the Issuer during the immediately preceding Collection Period shall be credited to the Default Interest Ledger.

7.15.2 On each Note Payment Date prior to the Note Payment Date on which the Notes are redeemed in full, any amounts standing to the credit of the Default Interest Ledger shall form part of Interest Available Funds only to the extent that there is shortfall in Interest Available Funds available to pay (i) Issuer Expenses and (ii) Other Issuer Creditor Fees and Expenses (such amount the "**Required Amount**").

7.15.3 Upon final redemption of the Notes, in accordance with the Conditions, all amounts standing to the credit of the Default Interest Ledger shall form part of the Interest Available Funds to be applied in accordance with the relevant Priority of Payments. Upon final redemption of the Notes, any Default Interest shall not be credited to the Default Interest Ledger, but shall form part of Interest Available Funds to make all other payments in accordance with the relevant Priority of Payments.

8. **REDEMPTION, PURCHASE AND CANCELLATION**

8.1 **Final redemption**

8.1.1 Unless previously redeemed in full or cancelled as provided in this Condition, the Issuer shall redeem the Notes at their Principal Amount Outstanding (for the avoidance of doubt, without adjustment for any NAI Shortfall Amount), plus any accrued but unpaid interest, on the Final Maturity Date.

8.1.2 The Issuer may not redeem the Notes in whole or in part prior to that date except as provided below in Conditions 8.2 (*Mandatory redemption and Loan Prepayment Fee Amounts*), 8.3 (*Mandatory redemption of the Class X Notes*), 8.4 (*Optional redemption*) and 8.5 (*Optional redemption for taxation reasons*), but without prejudice to Condition 12 (*Note Events of Default*) and Condition 13 (*Enforcement*).

8.1.3 If the Issuer has insufficient Principal Available Funds to repay the Notes in full on the Final Maturity Date, then the Notes shall be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Notes shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

8.2 **Mandatory redemption and Loan Prepayment Fee Amounts**

8.2.1 On each Note Payment Date on which there are Principal Available Funds, in accordance with the Priority of Payments set out in Condition 6 (*Priority of Payments*) on such Note Payment Date, the Issuer shall cause each Class of Notes (other than the Class X Notes) to be redeemed from such Principal Available Funds in an amount equal to the Principal Payment Amount determined on the relevant Calculation Date allocated to such Class (subject to the relevant Priority of Payments).

8.2.2 On each Loan Payment Date, any Loan Prepayment Fees received by the Issuer (the "**Loan Prepayment Fee Amounts**") shall be paid by the Primary Servicer into the Issuer Collection Account for application in accordance with this Condition 8.2 (*Mandatory redemption and Loan Prepayment Fee Amounts*).

8.2.3 On each Note Payment Date, any Loan Prepayment Fee Amounts shall be allocated to the Notes (other than the Class X1 Note) by applying:

(a) where Loan Prepayment Fee Amounts are received in respect of the Franc Loan, a loan prepayment fee rate of 0.40% to the Principal Amount Outstanding of the Notes redeemed; and/or

(b) where Loan Prepayment Fee Amounts are received in respect of the Vanguard Loan, a loan prepayment fee rate of 0.50% to the Principal Amount Outstanding of the Notes (such amount together with (a) above, the "**Note Prepayment Fee Amount**").

The remainder of the Loan Prepayment Fee Amounts on such Note Payment Date will be allocated to the Class X1 Note (the "**Class X1 Allocated Note Prepayment Fee Amount**").

8.2.4 The Note Prepayment Fee Amount shall be allocated to each Class of Notes (other than the Class X1 Note) that is subject to mandatory early redemption as a result of the corresponding prepayment of a Loan calculated according to the following formula (the "**Allocated Note Prepayment Fee Amount**"):

Note Prepayment Fee Amount x (Principal Amount redeemed of the relevant Class of Notes / Aggregate Principal Amount of the Notes redeemed) x (the Relevant Margin of the relevant Class of Note redeemed / weighted average margin of the Notes redeemed (other than the Class X1 Note))

8.2.5 Loan Prepayment Fee Amounts shall be paid in accordance with the Pre Note Enforcement Notice Interest Priority of Payments, but shall only be applied to pay (i) any Allocated Note Prepayment Fee Amount payable on each Class of Notes (other than the Class X1 Note) and (ii) any Class X1 Allocated Note Prepayment Fee Amount payable in respect of the Class X1 Note

8.2.6 In respect of the first Note Interest Period, to the extent that any Franc Prepayment Interest Shortfall occurs:

(a) the Class X1 Allocated Note Prepayment Fee Amount payable on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall; and

(c) if the Class X1 Allocated Note Prepayment Fee Amount is insufficient to cover any Franc Prepayment Interest Shortfall, any Allocated Note Prepayment Fee Amount payable to the Class E Noteholders on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall; and

(d) if the Allocated Note Prepayment Fee Amount payable to the Class E Noteholders is (together with the Class X1 Allocated Note Prepayment Fee Amount) insufficient to cover any Franc Prepayment Interest Shortfall, any Allocated Note Prepayment Fee Amount payable to the Class D Noteholders on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall; and

(e) if the Allocated Note Prepayment Fee Amount payable to the Class D Noteholders is (together with the Class X1 Allocated Note Prepayment Fee Amount and any Allocated Note Prepayment Fee Amount payable to the Class E Noteholders) insufficient to cover any Franc Prepayment Interest Shortfall, any Allocated Note Prepayment Fee Amount payable to the Class C

Noteholders on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall; and

(f) if the Allocated Note Prepayment Fee Amount payable to the Class C Noteholders is (together with the Class X1 Allocated Note Prepayment Fee Amount and any Allocated Note Prepayment Fee Amount payable to the Class E Noteholders or the Class D Noteholders) insufficient to cover any Franc Prepayment Interest Shortfall, any Allocated Note Prepayment Fee Amount payable to the Class B Noteholders on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall.

(g) if the Allocated Note Prepayment Fee Amount payable to the Class B Noteholders is (together with the Class X1 Allocated Note Prepayment Fee Amount and any Allocated Note Prepayment Fee Amount payable to the Class E Noteholders, the Class D Noteholders, the Class C Noteholders) insufficient to cover any Franc Prepayment Interest Shortfall, any Allocated Note Prepayment Fee Amount payable to the Class A Noteholders on the first Note Payment Date shall be applied to cover any Franc Prepayment Interest Shortfall.

"**Franc Prepayment Interest Shortfall**" means the shortfall (if any) between the interest payable on the Loans and the interest payable on the Notes to the extent that principal balance of the Franc Loan is prepaid on the Loan Payment Date falling in August 2014.

8.3 **Mandatory Redemption of the Class X Notes**

8.3.1 Each Class X Note will be subject to mandatory redemption in part from amounts standing to the credit of the Class X Account on the first Note Payment Date in the amount of €95,000 per Class X Note.

8.3.2 The Class X1 Note will be subject to mandatory redemption in full from amounts standing to the credit of the Class X Account on the Note Payment Date falling in November 2015.

8.2.3 The Class X2 Note will be subject to mandatory redemption in full from amounts standing to the credit of the Class X Account on the final Note Payment Date when the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are redeemed in full pursuant to Condition 8.1 (*Final redemption*) above.

8.4 **Optional redemption**

Provided that no Note Enforcement Notice has been served on the Issuer, the Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding (for the avoidance of doubt, without adjustment for any NAI Shortfall Amount), together with interest accrued thereon, on any Note Payment Date falling on or after the Clean-up Option Date subject to the following:

8.4.1 that the Issuer has given not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 20 (*Notices*) of its intention to redeem all (but not some only) of the Notes; and

8.4.2 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders a certificate signed by the Issuer confirming that the Issuer will on the relevant Note Payment Date have the funds, not subject to the interests of any person, required to redeem the Notes in accordance with this Condition and any amount required to be paid under the Pre Note Enforcement Notice Principal Priority of Payments in priority to or *pari passu* with the Notes.

8.5 **Optional redemption for taxation reasons**

Provided that no Note Enforcement Notice has been served on the Issuer, the Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding (for the avoidance of doubt, without adjustment for any NAI Shortfall Amount) on any Note Payment Date:

8.5.1 after the date on which the Issuer is required to make any payment in respect of the Notes and the Issuer would be required to make a Tax Deduction in respect of such payment (other than in respect of a Decree 239 Deduction);

8.5.2 after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which would cause the total amount payable in respect of a Loan to cease to be receivable by the Issuer, including as a result of any of the Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables,

subject to the following:

8.5.3 that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 20 (*Notices*) of its intention to redeem all (but not some only) of the Notes; and

8.5.4 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:

(a) a certificate signed by a director of the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of a Loan ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interest as a whole; and

(b) a certificate signed by a director of the Issuer confirming that the Issuer will, on the relevant Note Payment Date, have the funds not subject to the interests of any other person required to redeem the Notes pursuant to this Condition and any amount required to be paid under the Priority of Payments in priority to or *pari passu* with the Notes.

8.6 **Conclusiveness of certificates**

Any certificate given by or on behalf of the Issuer pursuant to Condition 8.4 (*Optional redemption*) or Condition 8.5 (*Optional redemption for taxation reasons*) may be relied on by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

8.7 **Calculation of Principal Payment Amount and Principal Amount Outstanding**

8.7.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(a) the amount of the Principal Available Funds;

(b) the Principal Payment Amount due on the Notes on the next following Note Payment Date, the Class A Principal Payment Amount, the Class B Principal Payment Amount, the Class C Principal Payment Amount, the Class D Principal Payment Amount and the Class E Principal Payment Amount.

(c) the Principal Amount Outstanding of each Note (other than the Class X Notes) on the next following Note Payment Date (after deducting any principal payment due to be made on that Note Payment Date in relation to each Note (other than the Class X Notes)).

8.7.2 The "**Principal Payment Amount**" means the Class A Principal Payment Amount, the Class B Principal Payment Amount, the Class C Principal Payment Amount, the Class D Principal Payment Amount or the Class E Principal Payment Amount, as applicable.

"**Class A Principal Payment Amount**" means the lesser of:

(a) the Principal Amount Outstanding of the Class A Notes; and

(b) the sum of that portion of:

(i) the Non Sequential Principal Payment Amount allocated pursuant to Condition 8.7.3; or

(ii) the Sequential Principal Payment Amount allocated pursuant to Condition 8.7.4,

allocated to the Class A Notes on such Note Payment Date.

"**Class B Principal Payment Amount**" means the lesser of:

(a) the Principal Amount Outstanding of the Class B Notes; and

(b) the sum of that portion of:

(i) the Non Sequential Principal Payment Amount allocated pursuant to Condition 8.7.3; or

(ii) the Sequential Principal Payment Amount allocated pursuant to Condition 8.7.4,

allocated to the Class B Notes on such Note Payment Date.

"**Class C Principal Payment Amount**" means the lesser of:

(a) the Principal Amount Outstanding of the Class C Notes; and

(b) the sum of that portion of:

(i) the Non Sequential Principal Payment Amount allocated pursuant to Condition 8.7.3; or

(ii) the Sequential Principal Payment Amount allocated pursuant to Condition 8.7.4,

allocated to the Class C Notes on such Note Payment Date.

"**Class D Principal Payment Amount**" means the lesser of:

(a) the Principal Amount Outstanding of the Class D Notes; and

(b) the sum of that portion of:

(i) the Non Sequential Principal Payment Amount allocated pursuant to Condition 8.7.3; or

(ii) the Sequential Principal Payment Amount allocated pursuant to Condition 8.7.4,

allocated to the Class D Notes on such Note Payment Date.

"**Class E Principal Payment Amount**" means the lesser of:

(a) the Principal Amount Outstanding of the Class E Notes; and

(b) the sum of that portion of:

(i) the Non Sequential Principal Payment Amount allocated pursuant to Condition 8.7.3; or

(ii) the Sequential Principal Payment Amount allocated pursuant to Condition 8.7.4,

allocated to the Class E Notes on such Note Payment Date.

"**Liquidity Repayment Amount**" means an amount equal to the Liquidity Drawing which is due for payment on the immediately succeeding Note Payment Date, less any Interest Available Funds available for application in accordance with the Pre Note Enforcement Notice Interest Priority of Payments.

"**Non Sequential Principal Payment Amount**" as determined on any Calculation Date means: (i) if a Sequential Payment Trigger has occurred on or prior to such Calculation Date, zero; or (ii) if no Sequential Payment Trigger exists on such Calculation Date, an amount equal to the Principal Available Funds which are available for distribution on that Note Payment Date.

"**Sequential Principal Payment Amount**" as determined on any Calculation Date will be the Principal Payment Amount less the Non Sequential Principal Payment Amount and any Liquidity Repayment Amount as determined on that Calculation Date.

A "**Sequential Payment Trigger**" means the first to occur of the following:

(a) a Calculation Date on which either Loan is a Specially Serviced Loan;

(b) a Note Payment Date following a Loan Final Maturity Event of Default; or

(c) the delivery of a Note Enforcement Notice.

8.7.3 The Non Sequential Principal Payment Amount will be allocated to each Class of Notes (other than the Class X Notes) after the allocation of any Sequential Principal Payment Amount:

(i) in respect of any Principal Payment Amount that represents amortisation or prepayment of the Franc Loan, in accordance with the following table:

Franc Loan	
Class	**Percentage of Non Sequential Principal Payment Amount allocated to that Class of Notes**
A	82.5
B	8.5
C	9.0
D	0.0
E	0.0

(ii) in respect of any Principal Payment Amount that represents amortisation or prepayment of the Vanguard Loan, in accordance with the following table:

Vanguard Loan	
Class	**Percentage of Non Sequential Principal Payment Amount allocated to that Class of Notes**
A	79.0
B	2.0
C	9.0
D	2.0
E	8.0

8.7.4 On each Note Payment Date, to the extent that a Class of Notes have been, or will on such Note Payment Date be, redeemed in full, an amount equal to the Non Sequential Principal Payment Amount reduced by any amount allocated to the redeemed Class of Notes on such Note Payment Date will be allocated to the Most Senior Class of Notes then outstanding.

8.7.5 The Sequential Principal Payment Amount will be allocated sequentially to:

(a) the Class A Notes *pro rata*; and

(b) if the Class A Notes have been or will on such Note Payment Date be redeemed in full an amount equal to the Sequential Principal Payment Amount reduced by any amount allocated to the Class A Notes under (a) above on such Note Payment Date will be allocated to the Class B Notes *pro rata*; and

(c) if the Class B Notes have been or will on such Note Payment Date be redeemed in full, an amount equal to the Sequential Principal Payment Amount reduced by any amount allocated to the Class A Notes and Class B Notes under (a) and (b) above on such Note Payment Date will be allocated to the Class C Notes *pro rata*; and

(d) if the Class C Notes have been or will be redeemed in full on such Note Payment Date, an amount equal to the Sequential Principal Payment Amount reduced by any amount allocated to the Class A Notes, the Class B Notes and the Class C Notes under (a) to (c) above on such Note Payment Date will be allocated to the Class D Notes *pro rata*; and

(e) if the Class D Notes have been or will be redeemed in full on such Note Payment Date, an amount equal to the Sequential Principal Payment Amount reduced by any amount allocated to the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes under (a) to (d) above on such Note Payment Date will be allocated to the Class E Notes *pro rata*; and

(f) if the Class E Notes have been or will be redeemed in full on such Note Payment Date, an amount equal to the Sequential Principal Payment Amount reduced by any amount allocated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes under (a) to (e) above on such Note Payment Date will be applied in accordance with the relevant Priority of Payments.

8.7.6 Principal Available Funds which are not attributable to a specific Loan, shall be applied to each Class of Notes on a pro rata basis.

8.8 **Calculation by the Representative of the Noteholders in case of Issuer default**

8.8.1 If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the amount thereof available for principal payments in respect of the Notes, the Principal Payment Amount in respect of each Note or the Principal Amount Outstanding in relation to each Note in accordance with this Condition, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

8.8.2 The Representative of the Noteholders shall have no liability to any person (other than the Issuer) in connection with any determination or calculation made by it or its agent pursuant to this Condition 8.8 (*Calculation by the Representative of the Noteholders in case of Issuer default*) or any failure to make such determination or calculation or any failure to appoint such an agent willing or able to make such determination or calculation, and the Representative of the Noteholders shall not be in any way responsible for any liabilities incurred by reason of misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent, **provided that** such agent has been selected by the Representative of the Noteholders among financial institutions having certified experience in making the above determination and calculation and already acting as calculation agent in other securitisation transactions.

8.9 **Principal Amount Outstanding and Note Factor**

8.9.1 On each Calculation Date, the Calculation Agent shall determine (a) the Principal Amount Outstanding of each Note on the next following Note Payment Date (after deducting any principal payment to be paid on such Note on that Note Payment Date) and (b) the fraction (the "**Note Factor**"), the numerator of which is equal to the Principal Amount Outstanding of each Class of Notes immediately prior to such Note Payment Date and the denominator of which is equal to the aggregate Principal Amount Outstanding of all the Classes of Notes immediately prior to such Note Payment Date. Each determination by Calculation Agent of the Principal Amount Outstanding of a Note and the Note Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

8.9.2 The Principal Amount Outstanding of a Note on any date will be its face amount less the aggregate amount of principal repayments or prepayments made in respect of that Note since the Issue Date.

8.9.3 The Issuer (or the Calculation Agent on its behalf) will cause each determination of the Principal Amount Outstanding and the Note Factor to be notified in writing forthwith to the Representative of the Noteholders, the Paying Agent, the Rating Agencies, the Issuer Account Bank and (for so long as the Notes are listed on the Irish Stock Exchange) the Irish Stock Exchange and will cause notice of each determination of a Principal Amount Outstanding and the Note Factor to be given to the Noteholders in accordance with Condition 20 (*Notices*) as soon as reasonably practicable thereafter.

8.9.4 If the Issuer (or the Calculation Agent on its behalf) does not at any time for any reason determine the Principal Amount Outstanding or the Note Factor in accordance with the preceding provisions of this Condition 8.9 (*Principal Amount Outstanding and Note Factor*), such Principal Amount Outstanding and the Note Factor may be determined by the Representative of the Noteholders, in accordance with this Condition 8.9 (*Principal Amount Outstanding and Note Factor*), and each such determination or calculation shall be conclusive and shall be deemed to have been made by the Issuer or the Calculation Agent, as the case may be and the Representative of the Noteholders shall have no liability to any person in respect thereof.

8.10 **Notice of calculation of Principal Payment Amount and Principal Amount Outstanding**

The Issuer will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to the Notes to be notified immediately after calculation (through the Calculation Agent Quarterly Report) to the Representative of the Noteholders, the Calculation Agent and, for so long as the Notes are listed on the Irish Stock Exchange, the Irish Stock Exchange and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to the Notes to be given in accordance with Condition 20 (*Notices*) not later than two Business Days prior to each Note Payment Date.

8.11 **Notice Irrevocable**

Any such notice as is referred to in Conditions 8.4 (*Optional redemption*), 8.5 (*Optional redemption for taxation reasons*) and 8.10 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Conditions 8.4 (*Optional redemption*) or 8.5 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Notes at their Principal Amount Outstanding.

8.12 **No purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes at any time.

8.13 **Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. **LIMITED RECOURSE AND NON PETITION**

9.1 **Noteholders not entitled to proceed directly against Issuer**

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Issuer Transaction Documents to obtain payment of the Obligations or enforce the Issuer Transaction Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce the Issuer Transaction Security. In particular,

9.1.1 no Noteholder is entitled, otherwise than as permitted by the Issuer Transaction Documents, to direct the Representative of the Noteholders to enforce the Issuer Transaction Security and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the Issuer Transaction Security;

9.1.2 no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Issuer Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

9.1.3 until the date falling two years and one day after the date on which the Notes have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all the Noteholders shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

9.1.4 no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

9.2 **Limited Recourse Obligations of Issuer**

Notwithstanding any other provision of the Issuer Transaction Documents, all obligations of the Issuer to the Noteholders are limited in recourse as set out below:

9.2.1 other than in respect of principal payments on the Class X Notes, each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the relevant Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

9.2.2 in respect of principal payments on the Class X Notes, the Class X Noteholders will have a claim only in respect of the funds credited to the Class X Account, and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

9.2.3 sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder; and

9.2.4 if the Primary Servicer has certified to the Representative of the Noteholders, that there is no reasonable likelihood of there being any further realisations in respect of a Loan or the Issuer Transaction Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Transaction Security or otherwise) which would be available to pay unpaid amounts outstanding under the Issuer Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Notes Condition 20 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of a Loan or the Issuer Transaction Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Transaction Security or otherwise) which would be available to pay amounts outstanding under the Issuer Transaction Documents or the Notes, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

10. **PAYMENTS**

10.1 **Payments through Monte Titoli**

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holder in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2 **Payments subject to fiscal laws**

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 **Payments on Business Days**

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a Business Day in the place of payment to such Noteholder.

10.4 **Change of Paying Agent and appointment of additional paying agents**

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents (**provided that** any additional or substitute paying agent, as the case may be, shall be an Eligible Institution). The Issuer will cause at least 30 days' prior notice of any change in or addition to the Paying Agent or its Specified Office to be given in accordance with Condition 20 (*Notices*).

11. **TAXATION**

11.1 **Payments free from Tax**

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) (as the case may be) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2 **No payment of additional amounts**

None of the Issuer, the Representative of the Noteholders, the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction. The Issuer shall however pay any additional amount as will result in the receipt by the Noteholders, after any Decree 239 Deduction, of such amount as would have been received by them if no such Decree 239 Deduction had been required in all circumstances in which the requirements and procedures to obtain an exemption from *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Decree 239, or related implementing regulations, have not been met or complied with as a consequence of any actions or omissions of the Issuer or the Paying Agent.

11.3 **Tax Deduction not Note Event of Default**

Notwithstanding that the Representative of the Noteholders, the Issuer or the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) are required to make a Tax Deduction this shall not constitute a Note Event of Default.

12. **NOTE EVENTS OF DEFAULT**

12.1 **Note Events of Default**

Each of the following events is a "**Note Event of Default**":

12.1.1 ***Non-payment***:

The Issuer fails to pay any amount of principal due and payable in respect of the Most Senior Class of Notes within five days of the due date for payment of such principal or fails to pay any amount of interest in respect of the Most Senior Class of Notes within three days of the due date for payment of such interest; or

12.1.2 ***Breach of other obligations***:

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Issuer Transaction Documents to which it is a party (other than any obligation to pay principal or interest in respect of the Notes) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of remedy or (b) being a default which is, in the opinion of the Representative of the

Noteholders, capable of remedy remains unremedied for 30 days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied;

12.1.3 ***Insolvency of the Issuer***:

an Insolvency Event occurs with respect to the Issuer; or

12.1.4 ***Unlawfulness***:

it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Issuer Transaction Documents to which it is a party.

12.2 **Delivery of Note Enforcement Notice**

If a Note Event of Default occurs and is continuing, subject to Condition 12.3 (*Conditions to delivery of Note Enforcement Notice*) the Representative of the Noteholders:

12.2.1 in the case of a Note Event of Default under Condition 12.1.1 (*Non-payment*) may; and

12.2.2 in the case of a Note Event of Default under Condition 12.1.2 (*Breach of other obligations*) 12.1.3 (*Insolvency of the Issuer*) or 12.1.4 (*Unlawfulness*) may or shall, if so directed by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Notes and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred,

serve a written notice (a "**Note Enforcement Notice**") on the Issuer.

12.3 **Conditions to delivery of Note Enforcement Notice**

Notwithstanding Condition 12.2 (*Delivery of a Note Enforcement Notice*) the Representative of the Noteholders shall not be obliged to deliver a Note Enforcement Notice unless:

12.3.1 in the case of the occurrence of any of the events mentioned in Condition 12.1.2 (*Breach of other obligations*), the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Noteholders; and

12.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4 **Consequences of delivery of Note Enforcement Notice**

Upon the service of a Note Enforcement Notice, all payments of principal, interest and other amounts in respect of the Notes shall become immediately due and payable without further action or formality at their Principal Amount Outstanding (for the avoidance of doubt, without adjustment for any NAI Shortfall Amount), together with any accrued interest and shall be payable in accordance with the order of priority set out in Condition 6.4 (*Post Note Enforcement Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Note Payment Dates.

13. **ENFORCEMENT**

13.1 **Proceedings**

At any time after a Note Enforcement Notice has been served on the Issuer, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Notes and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred, and subject to Article 32.3.3 of the Rules of the Organisation of the Noteholders.

13.2 **Directions to the Representative of the Noteholders**

The Representative of the Noteholders may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor.

13.3 **Sale of Loan Portfolio**

13.3.1 Following the delivery of a Note Enforcement Notice the Representative of the Noteholder shall direct the Issuer to sell the Loan Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding, other than (i) the Class X Notes and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred, and strictly in accordance with the instructions approved thereby subject to Article 32.3.3 of the Rules of the Organisation of the Noteholders, and subject to indemnification to its satisfaction).

13.3.2 Upon occurrence of the circumstance under Condition 13.3.1 above, the assignee of the Loan Portfolio (or part of it) shall provide the Issuer with (i) a solvency certificate and (ii) a good standing certificate (*certificate di vigenza*) issued by the relevant Chamber of Commerce confirming that no insolvency proceedings have been filed or are pending against it or other similar certificates issued in the relevant jurisdiction of the assignee.

14. **THE REPRESENTATIVE OF THE NOTEHOLDERS AND OTHER AGENTS**

14.1 **The Organisation of the Noteholders**

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2 **Appointment of the Representative of the Noteholders**

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. **NOTE MATURITY PLAN**

15.1 If either Loan remains outstanding on the date which is 30 months prior to the Final Maturity Date and, in the opinion of the Special Servicer, all recoveries then anticipated by the Special Servicer with respect to both Loans (whether by enforcement of the relevant Borrower Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date of the Notes, the Special Servicer will be required to prepare a draft note maturity plan (the "**Note Maturity Plan**") and present the same to the Issuer, the Calculation Agent and the Representative of the Noteholders no later than 45 days after such date. At least one proposal provided by the Special Servicer must be that the Representative of the Noteholders, at the cost of the Issuer, will engage a financial expert to advise the Representative of the Noteholders as to the enforcement of the Issuer Transaction Security.

15.2 Upon receipt of the draft Note Maturity Plan, the Representative of the Noteholders will convene, at the cost of the Issuer, a meeting of the Noteholders (other than the Class X Noteholders) at which the Noteholders (other than the Class X Noteholders) will have the opportunity to discuss the various proposals contained in the draft Note Maturity Plan with the Special Servicer. Following such meeting, the Special Servicer shall reconsider the Note Maturity Plan and make modifications thereto to address the views of Noteholders (subject to the Servicing Standard) following which it shall provide a final Note Maturity Plan to the Issuer, the Noteholders and the Representative of the Noteholders.

15.3 Upon receipt of the final Note Maturity Plan, the Representative of the Noteholders will convene, at the cost of the Issuer, a meeting of the Noteholders of the Most Senior Class of Notes outstanding at which the Noteholders of the Most Senior Class will be requested to select their preferred option among the proposals set forth in the final Note Maturity Plan. The Special

Servicer will implement the proposal that receives the approval of the holders of the Most Senior Class of Notes then outstanding by way of Ordinary Resolution.

15.4 If no option receives the approval of the Most Senior Class of Noteholders at such meeting, then the Special Servicer shall be entitled to continue to enforce or workout the Loan in accordance with the Servicing Standard, save that the Special Servicer may not extend the relevant Loan Maturity Date to a date less than 30 months prior to the Final Maturity Date, unless directed by an Ordinary Resolution of the Noteholders of the Most Senior Class of Notes (subject to Rule 19.2 (*Basic Terms Modification*).

16. CALCULATION AGENT, REGULATORY SERVICER, PRIMARY SERVICER AND SPECIAL SERVICER

So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a Paying Agent in respect of the moneys from time to time standing to the credit of the Issuer Accounts and a Primary Servicer or Special Servicer (as applicable) in respect of the Issuer's assets. None of the Paying Agent, Regulatory Servicer, Primary Servicer or Special Servicer will be permitted to terminate its appointment unless a replacement servicer, as the case may be, acceptable to the Issuer and the Representative of the Noteholders has been appointed.

17. DEALINGS WITH THE RATING AGENCIES

The Issuer shall not engage in any communication (whether written, oral, electronic or otherwise) with any of the Rating Agencies unless it:

16.1.1 has given at least two Business Days' notice of the same to the Representative of the Noteholders, the Regulatory Servicer, the Primary Servicer and the Special Servicer;

16.1.2 permits such parties (or any of them) to participate in such communications; and

16.1.3 summarises any information provided to the Rating Agencies in such communication in writing.

18. CONTROLLING CLASS

The Controlling Class may from time to time appoint by way of an Ordinary Resolution not more than one Noteholder of such class to be their representative for the purposes of this Condition (each such person, an Operating Advisor).

Any Operating Advisor so appointed will have the rights set forth in the Master Servicing Agreement (including the right to instruct the Issuer to terminate the appointment of the ten Primary Servicer and/or Special Servicer). Any Operating Advisor shall, unless instructed to the contrary in writing by the majority of persons who constitute the Controlling Class, be entitled in its sole discretion to exercise all of the rights given to it pursuant to the Master Servicing Agreement as it sees fit.

The appointment of any Operating Advisor shall not take effect until it notifies the Issuer, Representative of the Noteholders, the Regulatory Servicer, the Primary Servicer and the Special Servicer in writing (attaching a copy of the relevant Ordinary Resolution) of its appointment.

The Controlling Class may by Ordinary Resolution (notified in writing to Representative of the Noteholders, the Regulatory Servicer, the Primary Servicer and the Special Servicer) terminate the appointment of any Operating Advisor. Any Operating Advisor may retire by giving not less than 21 days' notice in writing to the Noteholders of the Controlling Class (in accordance with the terms of Condition 20 (*Notices*), Representative of the Noteholders, the Regulatory Servicer, the Primary Servicer and the Special Servicer.

The most junior Class of Notes (other than the Class X Notes) outstanding shall be the Controlling Class if at the relevant time it meets the Controlling Class Test. A Class of Notes (other than the Class X Notes) will meet the Controlling Class Test if it has a total Principal Amount Outstanding which is not less than 25 per cent. of the Principal Amount Outstanding of such Class of Notes on the Issue Date and for which a Control Valuation Event is not continuing.

A "**Control Valuation Event**" will occur with respect to any class of Notes (other than the Class X Notes) if and for so long as:

(a) the difference between:

(i) the sum of (A) the then Principal Amount Outstanding of such class of Notes (other than the Class X Notes) and (B) the then Principal Amount Outstanding of all classes of Notes ranking junior to such class; and

(ii) the sum of (A) any Valuation Reduction Amounts with respect to the Loans; and (B) without duplication, losses realised with respect to any enforcement of security in respect of the Property Portfolio,

is less than

(b) 25 per cent. of the then Principal Amount Outstanding of such class of Notes (other than the Class X Notes).

A "**Valuation Reduction Amount**" with respect to the Loans will be an amount equal to the excess of:

(a) the outstanding principal balance of the Loans; over

(b) the excess of:

(i) 90 per cent. of the sum of the values set forth in the most recent Valuations (including all reserves or similar amount which may be applied toward payments on the Loans) excluding the values of any Property within the Property Portfolio no longer held by a Borrower as at the testing date above; and

(ii) the sum of:

(A) all unpaid interest on the Loans;

(B) any other unpaid fees, expenses and other amounts that are payable prior to amounts payable to the Issuer under the Loans; and

(C) all currently due and unpaid ground rents and insurance premia and all other amounts due and unpaid with respect to the Loans.

If the most junior class of Notes outstanding (other than the Class X Notes) does not meet the Controlling Class Test, the next most junior Class of Notes outstanding (other than the Class X Notes) that does meet the Controlling Class Test will be the Controlling Class.

The Valuation Reduction Amount will be re-determined on each occasion on which an updated Valuation is obtained, by reference to such Valuation.

If no Class of Notes has a Principal Amount Outstanding that satisfies this requirement, then the Controlling Class will be the Most Senior Class of Notes then outstanding. For the avoidance of doubt, the Principal Amount Outstanding of a Class of Notes for the purposes of calculating the Controlling Class Test shall be the Principal Amount Outstanding of such Class less any Valuation Reduction Amounts and any NAI Shortfall Amount that have been applied to that Class.

The Representative of the Noteholders shall determine which Class of Notes meets the Controlling Class Test and shall notify the Primary Servicer and the Special Servicer accordingly.

Each Noteholder acknowledges and agrees, by its purchase of the Notes, that:

(a) the Operating Advisor may have special relationships and interests that conflict with those of the holders of one or more classes of the Notes;

(b) the Operating Advisor may act solely in the interests of the Controlling Class;

(c) the Operating Advisor does not have any duties to any Noteholders other than the Controlling Class;

(d) the Operating Advisor may take actions that favour the interests of the Noteholders of the Controlling Class over the interests of the other Noteholders;

(e) the Operating Advisor will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class; and

(f) the Operating Advisor will have no liability whatsoever for having acted solely in the interests of the Controlling Class, and no holder of any other Class of Notes may take any action whatsoever against the Operating Advisor for having so acted.

19. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

20. NOTICES

20.1 Notices Given Through Monte Titoli

Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

20.2 Notices in Ireland

As long as the Notes are listed on the Irish Stock Exchange and the rules of such exchange so require, any notice to Noteholders shall also be published on the website of the Irish Stock Exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above. Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli. As long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of such exchange so require, any notice to Noteholders given by or on behalf of the Issuer shall also be published on the website of the Irish Stock Exchange and shall also be considered sent for the purposes of Directive 2004/109/CE. The website of the Irish Stock Exchange does not form part of the information provided for the purposes of this Prospectus. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above. The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and **provided that** notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

20.3 Other Method of Giving Notice

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders (including, without limitation, any relevant screen) if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and **provided that** notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

21. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent or any paying agent appointed under Notes Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful default (*dolo*), gross negligence (*colpa grave*), fraud (*frode*) or manifest error) be binding on the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

22. GOVERNING LAW AND JURISDICTION

22.1 Governing Law of Notes

The Notes and any non-contractual obligations arising out of them are governed by Italian law.

22.2 Governing Law of Issuer Transaction Documents

All the Issuer Transaction Documents and any non-contractual obligations arising out of them are governed by Italian law.

22.3 Jurisdiction of Courts

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any disputes related to any non-contractual obligations arising out of or in connection with the Notes.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES
RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I
GENERAL PROVISIONS

1. GENERAL

1.1 The Organisation of the Noteholders is created concurrently with the issue of and subscription for the €145,100,000 Class A Commercial Mortgage Backed Notes due 2026 (the "**Class A Notes**"), the €100,000 Class X1 Commercial Mortgage Backed Note due 2026 (the "**Class X1 Note**"), the €100,000 Class X2 Commercial Mortgage Backed Note due 2026 (the "**Class X2 Note**" and together with the Class X1 Note, the "**Class X Notes**"), the €14,600,000 Class B Commercial Mortgage Backed Notes due 2026 (the "**Class B Notes**"), the €17,700,000 Class C Commercial Mortgage Backed Notes due 2026 (the "**Class C Notes**"), the €3,822,000 Class D Commercial Mortgage Backed Notes due 2026 (the "**Class D Notes**") and the €17,000,000 Class E Commercial Mortgage Backed Notes due 2026 (the "**Class E Notes**", and together with the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**") issued by Moda 2014 S.r.l., and is governed by the Rules of the Organisation of the Noteholders set out herein (the "**Rules**").

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.1 In these Rules the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal or interest in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal or interest due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to modify the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of any Class of Notes;

(d) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;

(e) to change the currency in which payments due in respect of any Class of Notes are payable;

(f) to release the Issuer Transaction Security or modify any provisions in respect of the Issuer Transaction Security other than in accordance with the Issuer Transaction Documents.

(g) to alter the priority of payments of interest or principal in respect of any of the Notes; or

(h) to change this definition;

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining from the Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the

Meeting in respect of which the Block Voting Instruction or Voting Certificate is required;

"**Block Voting Instruction**" means, in relation to a Meeting, a document obtained by the Paying Agent:

(a) certifying that certain specified Notes have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual to vote in accordance with such instructions;

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules;

"**Class X Entrenched Rights**" means the following:

(a) any amendments to the definitions of "**Class X Interest Amount**", "**Relevant Margin**", "**Administrative Fees**"; or

(b) any amendment, modification or waiver which would result in a reduction of the interest or prepayment fees payable on the Loans (other than an automatic reduction to the interest rate to the maximum admissible interest rate permitted under the Italian Usury Law).

"**Conditions**" means the terms and conditions of the Notes as from time to time modified in accordance with the Rules of the Organisation of the Noteholders and including any other document expressed to be supplemental thereto and any reference to a particular numbered Condition shall be construed accordingly.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast. For the purposes of determining the majority of votes cast at a Meeting of the Noteholders any Notes held by a Disenfranchised Noteholder, shall be treated as if they were not outstanding and shall not be counted in or towards any required majority;

"**Hedging Agreement**" means each of the Franc Borrower Cap Agreement and each Vanguard Borrower Cap Agreement, and any other hedging agreement entered into by the Franc Borrower, or a Vanguard Borrower (as applicable) and a hedge counterparty;

"**Insolvency Proceedings**" means any corporate action, legal proceedings or other procedure or step taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, winding up (including, without limitation, the filing of documents with the court or the service of a notice of intention to appoint an administrator), dissolution, examination, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;

(b) a composition, assignment or arrangement or similar arrangement with any creditor of the Issuer or taking steps to obtain a moratorium in respect of any of the indebtedness of the Issuer; or

(c) the appointment of a liquidator, receiver, receiver and manager, examiner, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any of its assets.

"**Meeting**" means a meeting of Noteholders of any Class or Classes, whether originally convened or resumed following an adjournment;

"**Monte Titoli**" means Monte Titoli S.p.A., a società per azioni having its registered office at Via Mantegna, 6, 20154 Milan, Italy.

"**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with article 30 of Decree 213 and includes any depository banks approved by Euroclear and Clearstream.

"**Monte Titoli Mandate Agreement**" means the agreement entered into between the Issuer and Monte Titoli as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Most Senior Class of Notes**" means at any time:

(a) the Class A Notes; or

(b) if no Class A Notes are then outstanding, the Class B Notes (if at that time any Class B Notes are then outstanding); or

(c) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (if at that time any Class C Notes are then outstanding); or

(d) if no Class A Notes or Class B Notes or Class C Notes are then outstanding, the Class D Notes (if at that time any Class D Notes are then outstanding); or

(e) if no Class A Notes or Class B Notes or Class C Notes or Class D Notes are then outstanding, the Class E Notes (if at that time any Class E Notes are then outstanding); or

(f) if no Class A Notes or Class B Notes or Class C Notes or Class D Notes or Class E Notes are then outstanding, the Class X Notes (if at that time the Class X Notes are then outstanding).

"**Note Event of Default**" means any of the events described in Condition 12 (*Note Events of Default*) of the Conditions.

"**Note Enforcement Notice**" means a notice described as such in Condition 12 (*Note Events of Default*) of the Conditions.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by more than 50 per cent. of the votes cast. For the purposes of determining the majority of votes cast at a Meeting of the Noteholders any Notes held by a Disenfranchised Noteholder, shall be treated as if they were not outstanding and shall not be counted in or towards any required majority;

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent, has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed;

"**Resolutions**" means Ordinary Resolutions and Extraordinary Resolutions collectively;

"**Specified Office**" means, with respect to the Paying Agent, its Italian branch at via Ansperto 5, 20123, Italy, or, with respect to any additional or other Paying Agent appointed pursuant to Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Voter**" means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Paying Agent or a Proxy named in a Block Voting Instruction;

"**Voting Certificate**" means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time; or

(b) a certificate issued by the Paying Agent stating:

(i) that Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Paying Agent.

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes;

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of any Class of Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders;

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its Specified Office;

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Issuer Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as an "**Transaction Party**" in these Rules or in any Issuer Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II
MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 **Issue**

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Paying Agent or require the Paying Agent to issue a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

4.2 **Expiry of validity**

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 **Deemed Holder**

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by a Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 **Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 **References to blocking and release**

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holders or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. **CONVENING A MEETING**

6.1 **Convening a Meeting**

6.1.1 The Representative of the Noteholders or the Issuer, in accordance with these rules, may convene separate or combined Meetings of the Noteholders of any Class or Classes (other than the Class X Noteholders) to consider Extraordinary Resolutions or Ordinary Resolutions at any time, and the Representative of the Noteholders shall be obliged to do so:

(a) upon the request in writing by Noteholders (other than the Class X Noteholders) representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes; and

(b) upon request in writing by the Primary Servicer or the Special Servicer for obtaining Noteholder consent for any purpose.

6.1.2 The Class X Noteholders shall not be entitled to request to convene a Meeting of the Noteholders other than for resolutions specifically presented to them by request of the Primary Servicer or the Special Servicer, or in respect of a Class X Entrenched Right.

6.1.3 Any Disenfranchised Noteholders shall not be entitled to request to convene a Meeting of the Noteholders.

6.2 **Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 **Negative Consent**

The Issuer or the Representative of the Noteholders may propose an Extraordinary Resolution or an Ordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Transaction Security, or a Resolution relating to a Class X Entrenched Right) of the Noteholders or any class of Noteholders relating to any matter for consideration and approval by Negative Consent by the Noteholders or the Noteholders of such class.

"**Negative Consent**" means, in relation to an Extraordinary Resolution (other than an Extraordinary Resolution relating to a Basic Terms Modification, the waiver of any Note Event of Default, the acceleration of the Notes or the enforcement of the Issuer Transaction Security, or

a Resolution relating to a Class X Entrenched Right) or an Ordinary Resolution of the Noteholders or any class of Noteholders, the process whereby such Extraordinary Resolution or Ordinary Resolution shall be deemed to be duly passed and shall be binding on all of the Noteholders or the Noteholders of such class in accordance with its terms where:

(a) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, (including the full text of the same) has been given by the Issuer or the Representative of the Noteholders to the Noteholders or the Noteholders of such Class in accordance with the provisions of Condition 20 (*Notices*);

(b) such notice contains a statement requiring such Noteholders to inform the Representative of the Noteholders in writing if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of (i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class; or (ii) in the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such class, makes such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders or the Noteholders of such Class and specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) further as set out in the following paragraph; and

(c) holders of (i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such class or (ii) in the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class, have not informed the Representative of the Noteholders in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within 30 days of the date of the relevant notice.

6.4 Time and place of Meetings

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

7. NOTICE

7.1 Notice of meeting

At least 14 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Noteholders and the Paying Agent and any other agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, and that for the purpose of obtaining Voting Certificates from the Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Paying Agent) be held to the order of or placed under the control of the Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 7 (*Notice*) are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all

outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting, and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. CHAIRMAN OF THE MEETING

8.1 Appointment of Chairman

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 Duties of Chairman

The Chairman shall ascertain that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. QUORUM

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes will be two or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing at least 50 per cent. of the Principal Amount Outstanding of the Notes then outstanding in that Class or these Classes, or at any adjourned Meeting two or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing 25 per cent. of the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be two or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing at least 75 per cent. of the Principal Amount Outstanding of the Notes then outstanding in that Class or those Classes. An adjourned Meeting relating to an Extraordinary Resolution (other than in respect of a Basic Terms Modification, to approve the waiver of any Note Event of Default, to approve the acceleration of the Notes or the enforcement of the Issuer Transaction Security, or a resolution relating to a Class X Entrenched Right) will be two or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing at least 25 per cent. of the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification, (which must be proposed separately to each Class of Noteholders), will be two or more persons holding Notes, or representing Noteholders of that Class, representing at least 75 per cent. of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class. An adjourned Meeting relating to an Extraordinary Resolution in respect of a Basic Terms Modification, to approve the waiver of any Note Event of Default, to approve the

acceleration of the Notes or the enforcement of the Issuer Transaction Security, or a resolution relating to a Class X Entrenched Right will be two or more persons holding Notes, or representing Noteholders of that Class, representing 50 per cent. of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class of Notes,

provided that, if in respect of any Class of Notes the Paying Agent has received evidence that all the Notes of that Class are held by a single Holder and the Voting Certificates and/or Block Voting Instructions so confirm, then a single Voter appointed in relation thereto or being the Holder of the Notes thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

9.2 For the purposes of determining the quorum at any meeting of Noteholders considering an Extraordinary Resolution or an Ordinary Resolution any Notes held by a Disenfranchised Noteholder, shall be treated as if they were not outstanding and shall not be counted in or towards any required quorum.

10. ADJOURNMENT FOR WANT OF QUORUM

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders **provided that**:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. ADJOURNED MEETING

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. NOTICE FOLLOWING ADJOURNMENT

12.1 Notice required

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 7-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 Notice not required

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

13. PARTICIPATION

13.1 The following categories of persons may attend and speak at a Meeting:

13.1.1 Voters;

13.1.2 the directors and the auditors of the Issuer;

13.1.3 representatives of the Issuer and the Representative of the Noteholders;

13.1.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.1.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.1.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. VOTING BY SHOW OF HANDS

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. VOTING BY POLL

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. VOTES

16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each €1,000 in aggregate face amount of outstanding Notes represented or held by the Voter.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

16.4 **Class X Noteholders and Disenfranchised Noteholders**

The Class X Noteholders and the Disenfranchised Noteholders shall not be entitled to vote in respect of any resolution of the Noteholders and shall not be counted in or towards any required majority, other than in respect of a Class X Entrenched Right.

17. **VOTING BY PROXY**

17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked **provided that** none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. **ORDINARY RESOLUTIONS**

18.1 **Powers exercisable by Ordinary Resolution**

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of the Rules or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a Single Class**

18.2.1 No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to such Class would be materially prejudiced by the absence of such sanction.

18.2.2 Subject to provisions governing (i) the termination of the appointment of the Primary Servicer or Special Servicer, and (ii) a Basic Terms Modification or matters that require an Extraordinary Resolution, an Ordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes and would override any resolutions to the contrary by them.

18.3 **Written Ordinary Resolution**

The Noteholders (or Noteholders of the relevant Class) may determine certain matters which could be determined by Ordinary Resolution passed at a Meeting duly convened and held to be

determined instead by a Written Ordinary Resolution. A Written Ordinary Resolution has the same effect as an Ordinary Resolution.

19. EXTRAORDINARY RESOLUTIONS

19.1 A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Conditions or of any Issuer Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise the Representative of the Noteholders to issue a Note Enforcement Notice as a result of a Note Event of Default pursuant to Condition 12 (*Note Events of Default*);

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Issuer Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Issuer Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Issuer Transaction Document or any act or omission which might otherwise constitute a Note Event of Default under the Notes;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and to confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution; or

19.1.11 approve any request for the indemnity pursuant to the Loan Portfolio Sales Agreement.

19.2 Basic Terms Modification

19.2.1 No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes (other than the Class X Notes) then outstanding.

19.2.2 The implementation of certain Basic Terms Modifications and certain other matters will pursuant to the Issuer Transaction Documents be subject to the receipt of written confirmation from each Rating Agency then rating the Notes that the then current ratings of each class of Notes rated thereby will not be qualified, downgraded or withdrawn as a result of such modification (a "**Rating Agency Confirmation**"). If any action under any Issuer Transaction Documents or the Conditions requires a Rating Agency Confirmation

as a condition precedent to such action, if the party (the "**Requesting Party**") attempting to obtain such Rating Agency Confirmation from each Rating Agency has made a request to any Rating Agency (the "**RAC Request**") for such Rating Agency Confirmation and, within 10 Business Days of the RAC Request, such Rating Agency has not replied to such request or has responded in a manner that indicates that such Rating Agency is neither reviewing such request nor waiving the requirement for a Rating Agency Confirmation, then with respect to any such condition in any Issuer Transaction Document requiring such Rating Agency Confirmation, the Requesting Party shall made a new RAC Request (the "**Second RAC Request**"). If within 5 Business Days from the Second RAC Request such Rating Agency has not replied to such request or has responded in a manner that indicates that such Rating Agency is neither reviewing such request nor waiving the requirement for a Rating Agency Confirmation, then the Requesting Party shall determine, in accordance with its duties under the relevant Issuer Transaction Document, whether or not such action would be in the best interests of the Noteholders, and if the Requesting Party determines that such action would be in the best interest of such parties, then the requirement for a Rating Agency Confirmation will be deemed not to apply.

19.3 **Class X Entrenched Rights**

No Extraordinary Resolution (or Ordinary Resolution) may authorise or sanction any modification or waiver which would constitute a Class X Entrenched Right unless the Representative of the Noteholders has received the written consent of (i) prior to and including the Note Payment Date immediately following the Call Protection Period, all Class X Noteholders, and (ii) from and excluding the Note Payment Date following the expiry of the Call Protection Period, the Class X2 Noteholder.

19.4 **Extraordinary Resolution of a Single Class**

Subject to Article 19.2 (*Basic Terms Modification*) above, no Extraordinary Resolution to approve any matter of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to such Class would be materially prejudiced by the absence of such sanction and, for the purposes of this Article 19.4 (*Extraordinary Resolution of a Single Class*), Notes (other than the Class X Notes) rank senior to the Class X Notes. Subject to the provisions governing an Extraordinary Resolution of Noteholders relating to (i) a Basic Terms Modification, (ii) the delivery of a Note Enforcement Notice, or the commencement of any enforcement proceedings by the Representative of the Noteholders, or (iii) a Class X Entrenched Right, an Extraordinary Resolution of Noteholders of the Most Senior Class of Notes shall be binding on all other Classes and would override any resolutions to the contrary by them.

19.5 **Written Extraordinary Resolution**

The Noteholders (or Noteholders of the relevant Class) may determine certain matters which could be determined by Extraordinary Resolution passed at a Meeting duly convened and held to be determined instead by a Written Extraordinary Resolution. A Written Extraordinary Resolution has the same effect as an Extraordinary Resolution.

20. **ORDINARY RESOLUTIONS OR EXTRAORDINARY RESOLUTIONS AND THE CLASS X NOTEHOLDERS**

Prior to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes being redeemed in full, the Class X Noteholders shall not have the right to provide any consent or direction, whether by Extraordinary Resolution or otherwise, other than for the Class X Noteholders to sanction an Extraordinary Resolution relating to a Class X Entrenched Rights. Prior to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes being redeemed in full, references in these Rules or the Conditions to an Ordinary Resolution or an Extraordinary Resolution in respect of the Noteholders shall, other than with respect to a resolution relating to a Class X Entrenched Right, be construed as a reference to an

Ordinary Resolution or an Extraordinary Resolution of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders.

21. EFFECT OF RESOLUTIONS

21.1 Binding Nature

Subject to Article 18.2 (*Ordinary Resolution of a Single Class*), Article 19.2 (*Basic Terms Modification*) and Article 19.4 (*Extraordinary Resolution of a Single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting, and in each case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

21.2 Notice of Voting Results

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

22. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

23. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

24. JOINT MEETINGS

Subject to the provisions of the Rules, the Conditions, joint Meetings of the Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential

conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited Recourse and Non Petition*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder may take such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

27. FURTHER REGULATIONS

Subject to all other provisions contained in the Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III
THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the holders of the Most Senior Class of Notes in accordance with the provisions of this Article 28 (*Appointment, Removal and Remuneration*), except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 107 of the Consolidated Banking Act; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders and, if appointed as such, they shall be automatically removed.

28.3 **Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the of the holders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 **After termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 **Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment **provided that** if Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28 (*Appointment, Removal and Remuneration*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 **Representative of the Noteholders is legal representative**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Issuer Transaction Documents in order to protect the interests of the Noteholders.

30.2 **Meetings and Resolutions**

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 **Delegation**

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Issuer Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 31.3.2 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not, other than in the normal course of its business, be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, **provided that** the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 **Judicial Proceedings**

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings, including Insolvency Proceedings.

30.5 **Consents given by the Representative of the Noteholders**

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Issuer Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Issuer Transaction Documents such consent or approval may be given retrospectively.

30.6 **Discretions**

Save as expressly otherwise provided herein, the Representative of the Noteholders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law.

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*). The Representative of the Noteholders shall not be obliged to take any action in respect of these rules, the Notes, the Conditions or any Issuer Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (**provided that** supporting documents are delivered) which it may incur by taking such action.

30.8 **Note Events of Default**

The Representative of the Noteholders may certify whether or not a Note Event of Default is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Issuer Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Issuer Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Issuer Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1 (*Limited obligations*), the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Note Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Issuer Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Note Event of Default, or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Issuer Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Issuer Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Issuer Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Issuer Transaction Document;

31.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Issuer Transaction Document, or of any other document or any obligation or right created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or a Loan;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Primary Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of a Loan; and

(e) any accounts, books, records or files maintained by the Issuer, the Primary Servicer and the Paying Agent or any other person in respect of a Loan;

31.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

31.2.6 shall have no responsibility for procuring or maintaining any rating and/or listing of the Notes by any credit or rating agency or stock exchange, any other person;

31.2.7 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Issuer Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.8 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting the Rules or any Issuer Transaction Document;

31.2.9 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to a Loan or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.10 shall not be under any obligation to guarantee or procure the repayment of a Loan or any part thereof;

31.2.11 shall not be responsible for reviewing or investigating any report relating to a Loan provided by any person;

31.2.12 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of a Loan or any part thereof;

31.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, a Loan or any Issuer Transaction Document;

31.2.14 shall not be under any obligation to insure a Loan or any part thereof;

31.2.15 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to Condition 12 (*Note Events of Default*) on the basis of an opinion formed by it in good faith.

31.2.16 The Representative of the Noteholders shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Issuer Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

31.3 **Specific Permissions**

31.3.1 When in the Rules or any Issuer Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities, duties or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident

in or otherwise connected with or subject to the jurisdiction of any particular territory or tax authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, trusts, authorities, duties and discretions vested in it by the Issuer Transaction Documents, except where expressly provided therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Issuer Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Issuer Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 **Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer;

31.5 **Illegality**

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. **RELIANCE ON INFORMATION**

32.1 **Advice**

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be liable for any loss occasioned by so acting and notwithstanding any limitation of liability in respect thereof and in circumstances where, in the opinion of the Representative of the Noteholders, it is not practicable for the Representative of the Noteholders to obtain advice on any other basis, notwithstanding any limitation of or cap on liability in respect thereof.

32.2 **Transmission of Advice**

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 **Certificates of Issuer**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by a director of the Issuer;

32.3.2 that such is the case, a certificate of a director of the Issuer to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by a director of the Issuer to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 **Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 **Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing System**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Rating Agencies**

The Representative of the Noteholders shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders **provided that** such action does not have an adverse impact on the rating of the then current rating of the Notes. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address

other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that the attribution of such rating does not impose on or extend to any Rating Agency any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between any of the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the view of the Rating Agencies as to how a specific act would affect the outstanding rating of the Notes, the Representative of the Noteholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Noteholders or the Representative of the Noteholders may seek and obtain such views itself at the cost of the Issuer.

32.8 **Certificates of Parties to Issuer Transaction Documents**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Issuer Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Issuer Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

32.8.3 as to such party's opinion with respect to any issue,

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

33. **MODIFICATIONS**

33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Issuer Transaction Documents in relation to which its consent is required if, in the opinion of the Representative of the Noteholders, such modification is of a formal, minor or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Issuer Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Issuer Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes; and

33.1.3 any modification to these Rules or the Issuer Transaction Documents (other than in respect of a Basic Terms Modification which, in the opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes and the fact that the execution of the relevant amendment or modification would not adversely affect the current ratings of the Notes shall be

conclusive evidence that the requested amendment is not materially prejudicial to the interests of the of the holders of the Most Senior Class of Notes.

33.2 **Compliance with criteria of the Rating Agencies**

33.2.1 If the Issuer is of the opinion (following discussions with the applicable Rating Agencies or otherwise) that any modification is required to be made to (i) the Issuer Transaction Documents, and/or the Conditions, or (ii) a Loan Agreement or Hedging Agreement, in order to comply with any criteria of the Rating Agencies which may be published after the Issue Date, the Issuer shall promptly notify all Noteholders in accordance with Condition 20 (*Notices*) of the proposed amendments, and shall make available to Noteholders for inspection drafts of any amendments to applicable documents.

33.2.2 If within 30 calendar days from service of such notice Noteholders representing at least 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (apart from the Class X Notes) then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) to reject the proposed amendments, then all Noteholders will be deemed to have consented to the modifications and the Representative of the Noteholders shall (subject as further provided below), without seeking any further consent or sanction of any of the Noteholders or any Other Issuer Creditors and irrespective of whether such modifications are or may be materially prejudicial to the interests of the Noteholders of any Class or any other parties to any of the Issuer Transaction Documents, concur with the Issuer, in making the proposed modifications to the Issuer Transaction Documents and/or the Conditions that are requested by the Issuer in order to comply with such updated criteria, **provided that** the Issuer certifies to the Representative of the Noteholders in writing that:

(a) the proposed modifications are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Class of Notes;

(b) the proposed modifications seek only to implement the new criteria published by the applicable Rating Agencies;

(c) the proposed modifications do not constitute either

(i) a Basic Terms Modification; or

(ii) a Class X Entrenched Right; and

(d) the Noteholder consultation provisions set out above have been complied with and the Noteholders have not rejected the proposed amendments within the specified timeframe.

33.2.3 The Representative of the Noteholders shall not be obliged to agree to any modification which, in the sole opinion of the Representative of the Noteholders would have the effect of:

(a) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or

(b) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Representative of the Noteholders in respect of the Notes, in the Issuer Transaction Documents and/or the Conditions.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified

and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

33.4 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Issuer Transaction Documents.

34. **WAIVER**

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class of Notes shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Issuer Transaction Documents; or

34.1.2 determine that any Note Event of Default shall not be treated as such for the purposes of the Issuer Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless the holders of the Most Senior Class of Notes have, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Issuer Transaction Documents.

34.5 **Professional advice**

In the exercise of its powers, the Representative of the Noteholders shall be entitled to seek any professional advice it might deem appropriate, at costs and expenses of the Issuer.

35. SECURITY DOCUMENTS

35.1 The Deed of Pledge

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to the Noteholders pursuant to the Deed of Pledge.

35.2 Rights of Representative of the Noteholders

The Representative of the Noteholders, acting on behalf of the Noteholders, shall be entitled to:

35.2.1 appoint and entrust the Issuer to collect, in the Noteholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged claims to make the payments related to such claims to the Issuer Payments Account or to any other account opened in the name of the Issuer (the Issuer Payments Account and any such other account in this Article, the "**Issuer Accounts**");

35.2.2 attest that the account(s) to which payments are made in respect of the pledged claims are deposit accounts for the purpose of article 2803 of the Italian civil code, and procure that such account(s) is(are) operated in compliance with the provisions of the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement and for such purpose and until a Note Enforcement Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Noteholders, shall appoint the Issuer to manage the Issuer Accounts in compliance with the Cash Allocation, Management and Payments Agreement;

35.2.3 procure that all funds credited to the Issuer Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement; and

35.2.4 procure that the funds from time to time deriving from the pledged claims and the amounts credited to the Issuer Accounts are applied towards satisfaction not only of the amounts due to the Noteholders, but also of amounts due and payable to any other parties that rank prior to the Noteholders according to the relevant Priority of Payments set forth in the Conditions, and to the extent that all amounts due and payable to the Noteholders have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Noteholders pursuant to the Priority of Payments.

35.2.5 The Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to the Issuer Accounts, or to any other account opened in the name of the Issuer and appropriate of such purpose, which is not in accordance with the provisions of this Article 35 (*Security Documents*). The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Deed of Pledge except in accordance with the provisions of this Article 35 (*Security Documents*) and the Intercreditor Agreement.

36. INDEMNITY

Pursuant to the Subscription Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders, or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion, in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Issuer Transaction Documents, including but not limited to, legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative

of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Issuer Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Issuer Transaction Documents.

37. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted (including special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits) whether or not foreseeable) in any way in connection with the Issuer Transaction Documents, the Notes or these Rules without prejudice to any mandatory provisions of law.

TITLE IV
THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

38. **POWERS**

It is hereby acknowledged that, upon service of a Note Enforcement Notice or, prior to service of a Note Enforcement Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to a Loan. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Issuer Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Issuer Transaction Documents.

TITLE V
GOVERNING LAW AND JURISDICTION

39. **GOVERNING LAW**

The Rules and any other non-contractual obligation arising out of them are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

40. **JURISDICTION**

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules.

SELECTED ASPECTS OF ITALIAN LAW

This section summarises certain Italian law aspects and practices in force at the date hereof relating to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It does not purport to be a complete analysis and should not, therefore, be treated as a substitute for comprehensive professional, legal and tax advice on the relevant matters, nor on any such issue which may be relevant in the context of this Prospectus.

The Italian Securitisation Law

The Italian Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Italian Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction.

The Italian Securitisation Law has been recently amended through law decree No. 145 of 23 December 2013, called "*Decreto Destinazione Italia*" (the "***Destinazione Italia* Decree**") converted into law No. 9 of 21 February 2014, which provides for, *inter alia*, simplified perfection formalities for the assignment of public receivables and trade receivables and implements legal mitigants to address the commingling and claw-back risks, and excludes the application of article 65 of the Bankruptcy Law to payments effected by the assigned debtors to the securitisation vehicle.

On 24 June 2014, the Securitisation Law has again been amended through the law decree No. 91, called "*Decreto Competitività*" (the "**Law Decree *Competitività***") which, *inter alia*, (i) introduces the possibility for issuers to perform lending activity ensuring an adequate regulatory control through the involvement of regulated entities acting as servicers of the securitisation; and (ii) clarifies the segregation mechanics provided under the amended article 3 of the Italian Securitisation Law, as better described under the paragraph set out below (*Ring-fencing of the assets*).

With reference to the clarifications and the amendments introduced by the Law Decree *Competitività*, it has to be noted that under the applicable legislative procedure, law decrees (*decreti legge*) must be converted into law within the 60 days following the publication of the relevant law decree in the Official Gazette. In the event of conversion, amendments, supplements and deletions may be introduced to the original law decree enacted. However, if the law decree is not converted by the envisaged deadlines, it becomes null and void as from the outset (*ab initio*).

Ring-fencing of the assets

Under the terms of article 3 of the Italian Securitisation Law (as recently amended, as set out above), (i) the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets and moneys of the company which purchases the receivables (including any other receivables purchased by the Issuer pursuant to the Italian Securitisation Law) and (ii) the moneys and deposits held by servicers and sub-servicers in charge of the collection services and the moneys standing to the credit of the transaction accounts held on behalf of the issuer will, by operation of law, be segregated for all purposes from all other deposits and moneys of the relevant depository. Prior to and on a winding up of such a company the receivables, moneys and deposits listed above will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables, moneys and deposits relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

The Law Decree *Competitività* confirms that the securitised assets, which benefit from the segregation, expressly include (not only the receivables towards the assigned debtors but also) any other monetary claims owed to the issuer in relation to the securitisation, and any cash-flows generated by the collection of the assigned receivables, including any financial assets purchased by the issuer for the purpose of the transaction**.**

Moreover, it sets out new provisions concerning the segregation clarifying the operation of the bank accounts that may be opened by the issuer with the servicer or other depositories (together, the "**Depositories**") for the collection of the sums paid by the assigned debtors and any other sums paid or otherwise due to the issuer in the context of the securitisation. In particular:

- any sums paid into the segregated accounts can be freely and immediately disposed of by the issuer to meet its payment obligations to the noteholders, the hedging counterparties covering the risks on the securitised receivables / notes and other transaction costs, and no actions are permitted on the segregated accounts by other creditors;

- should any insolvency procedure be opened against one of the Depositories, no suspension of payments will affect the moneys standing to the credit of the segregated accounts, nor any sums that will be credited during the insolvency procedure. Hence, any sums transferred or credited in the segregated accounts will be immediately available to effect the payments due under the securitisation;

- similarly, no actions are permitted by the creditors of the servicers or sub-servicers on the accounts opened with any such Depositories to collect any amounts on behalf of the issuer, other than for amounts exceeding the moneys due to the issuer under the securitisation. Should any insolvency procedure be opened against such a Depository, any sums deposited or that will be credited on such accounts during the insolvency procedure will be immediately returned to the issuer without need of procedural requests, filing or submission of claims/petitions, and without waiting for any composition and/or restitutions among the creditors.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

Please note under "*The Italian Securitisation Law*" above the terms of the enactment and conversion of the Law Decree *Competitività*.

The assignment

The assignment of the receivables under the Italian Securitisation Law will be governed by article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Italian Securitisation Law, is that the assignment can be perfected against the Originator, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice in the Official Gazette and, in the case of the debtors, registration in the companies register, so avoiding the need for notification to be served on each debtor.

As of the date of the publication of the notice in the Official Gazette, the assignment becomes enforceable against any creditors of the Originator who have not prior to the date of publication of the notice commenced enforcement proceedings in respect of the relevant debts:

(a) the liquidator or other bankruptcy official of the Originator; and

(b) other permitted assignees of the Originator who have not perfected their assignment prior to the date of publication.

As of the later of (i) the date of the publication of the notice in the Official Gazette or (ii) the date of registration of the notice in the companies register, the assignment becomes enforceable against:

(i) the debtors; and

(ii) the liquidator or other bankruptcy official of such debtors (so that any payments made by a debtor whose debt has been assigned to the purchasing company may not be subject to any claw-back action pursuant to article 67 of the Bankruptcy Law).

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned debts will automatically be transferred to and perfected with the same priority in favour of the Issuer, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette, no legal action may be brought in respect of the debt assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the noteholders in relation to the notes issued for the purpose of financing the acquisition of the relevant debts and to meet the costs of the transaction.

Notice of the assignment of a Loan pursuant to the Loan Portfolio Sale Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 81 of 10 July 2014 and was registered with the companies register of Treviso on 9 July 2014.

Assignments executed under the Italian Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

The Originator is not an Italian company and is not subject to bankruptcy under the Bankruptcy Law. The provisions of the Italian Securitisation Law or revocation on bankruptcy will not apply to the Originator.

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942, as amended and supplemented from time to time.

The Issuer

The Issuer must be registered on the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 29 April 2011.

Mortgages

Mortgage (ipoteca)

A mortgage over real property gives the creditor a right to expropriate the specified property made liable to secure its identified claim, even against a third party transferee, and a preference in being paid from the proceeds of such expropriation. A mortgage is indivisible and extends in its entirety over all mortgaged assets, over each of them and over any part of them. A mortgage extends to interest accrued in the two years preceding the attachment (*pignoramento*) and in the then current year, notwithstanding any agreement to the contrary, **provided that** the relevant rate is indicated in the registration. The mortgage extends also to interest accrued in the period following the year when the attachment is lodged and ending on the date of the sale, but such interest must be calculated at the legally prescribed rate.

Mortgages will have different rankings, depending on the date of registration. A mortgage may be constituted by operation of law, by virtue of a judicial decision or at the instance of the mortgagor. The analysis under this section "*Mortgage (ipoteca)*" focuses only on the last indicated method. A mortgage may also be given by a third party mortgagor (*terzo datore di ipoteca*) over its immovable property in favour of a debtor for the benefit of the latter's creditor. A mortgage may also be granted on assets which the mortgagor does not currently own. In this case, the mortgage can be validly perfected only upon acquisition of the asset by the mortgagor. A mortgage may also be granted on future assets, but it can validly be perfected only upon the asset coming into existence.

Instrument granting a mortgage

A mortgage may be granted by either a unilateral or bilateral deed. It should be noted that the mortgage deed (whether or not unilateral in nature) must be made in the form of a public deed or a written document with signature certified as true by a notary public. If these formalities are not followed, the mortgage will be null and void. The instrument creating a mortgage must specifically designate the immovable property involved, indicating what such immovable property consists of, the municipality (*comune*) in which it is located and the number referencing the immovable property registration details. In addition, the instrument must define the sum of money denominated in euro for which the property is mortgaged. A mortgage may also be granted by an instrument concluded outside of Italy. If this is the case, such instruments must be legalised (or apostilled) in order for registration to occur.

Perfection of mortgage

A mortgage is only perfected once it is registered in the public register of immovable property of the place in which the immovable property is situated (the local land/property registry). In order to do this, the instrument creating a mortgage, together with a note signed by the applicant in duplicate must be presented to the registrar.

With respect to the creditor, debtor and any third party mortgagor, the note must state:

(a) if they are physical persons, their surname, first name, place and date of birth and tax code; or

(b) if they are legal entities, their full name, registered office and tax code;

(c) the domicile elected by the creditor within the jurisdiction of the tribunal in whose district the office of immovable property records is located;

(d) the instrument on the basis of which the mortgage is being registered, its date and the name of the public official who has drawn it up or authenticated it;

(e) the amount for which registration is made;

(f) the interest and annuities produced by the debt;

(g) the time at which the claim can be collected; and

(h) the nature and the location of the property encumbered, together with the indications referred to in the description of the instrument creating a mortgage above.

Once registered, the applicant will be given one of the duplicates of the above note on which the date and the serial number of the registration shall be recorded. It should be noted that such registration is valid for a twenty year period from the date of registration. Registration will need to be renewed if the mortgage continues for any longer period.

In certain cases the public register of immovable property evidences registration of mortgages ranking senior to a mortgage which has been agreed to be taken as a first-ranking mortgage by the lender, notwithstanding that the creditor secured by the pre-existing mortgages has consented to their cancellation or that the obligation secured by such mortgage has been satisfied and/or that the mortgage has not been renewed at its expiration date. This may depend either on the fact that the mortgage cancellation deed has not been filed with the public register of immovable property and/or as a result of the slow bureaucratic timing for the perfection of the cancellation formalities in Italy. When a situation like this occurs, notarial reports relating to the registration of the new mortgages granted to a new lender describe such new mortgages as "substantive" first or first and second-ranking mortgages (*ipoteche di primo grado o di primo e secondo grado sostanziale*).

Future amendment

The details contained in the mortgage register would need to be amended if any changes occur in the parties secured by the mortgages: e.g., if a lender transfers its participation to a new lender, the name of such new lender will have to be inserted into the records by way of an annotation (*annotazione*) on the relevant register. This is not required, however, if the transfer takes place in the context of a transfer pursuant to the Italian Securitisation Law.

Pledges

General

A pledge grants to the pledgee:

(a) priority of payment as against unsecured creditors;

(b) the right to expropriate the pledged asset, which is binding against third-party purchasers;

(c) the right to satisfy its claims on the proceeds of sale of the pledged asset; and

(d) certain expedited measures in the forced sale of the pledged asset.

A pledge is indivisible and secures the relevant claim for as long as it has not been completely satisfied, even if the debt or obligation secured is itself divisible. Priority of payment will also include interest for the year current at the date of attachment (*pignoramento*), or, in the absence of attachment, at the date of service of the notice of intention to start enforcement proceedings (*precetto*), as well as all interest accrued up to the date of sale of the pledged asset.

In general terms, upon occurrence of an event of default, the holder of a pledge may choose between the following remedies:

(a) applying to the court for an order vesting the relevant assets in the secured creditor in satisfaction of its claim, according to an appraisal to be made by experts, or according to the current market price of the pledged asset (if it has a market price). In effect, the court would be authorising a sale to the secured creditor itself; or

(b) selling the pledged asset. If this is proposed, then, prior to the sale, the secured creditor must, through a process server, serve a demand for payment of the debt and charges on the debtor. This demand must include a warning (the Notice) that if the debtor fails to comply with the request, then the pledged asset will be sold. The Notice shall also be served on any third party pledgor (if applicable). In the case of a debtor who resides or has his elected domicile in Italy, if no objection is raised within five days from receipt of the Notice, or if the court overrules any objection, the secured creditor can sell the pledged asset by public auction or, if it has a market price, he may sell it for that current market price through a person authorised to make such a sale.

It should be noted that it is open to the parties to agree to other procedures in connection with the sale of the asset given in pledge, **provided that**, also in this case, the Notice is given to the debtor.

According to the opinion of the majority of Italian legal scholars, no service of the *titolo esecutivo* and of the *precetto* is required for the purposes of enforcing a pledge.

A pledge is established according to particular rules depending on the nature of the asset over which the pledge is created. If the value of the pledge exceeds Euro 2.58, the pledge will not be effective unless it is evidenced by a written instrument which has an indisputable date and contains a sufficient indication of the secured obligation and of the subject matter of the pledge.

In case of a pledge of quotas in a limited liability company (*società a responsabilità limitata*) (the S.r.l.), the pledge is granted by a notarised written document. Following registration with the relevant registry office and payment of any applicable registration tax, the document is then submitted by the notary involved to the Register of Enterprises (*Registro delle Imprese*) where the company is enrolled with and a request is made for the pledge to be registered. Once such registration is completed, a request can be made to the company whose quotas are the subject of the pledge to enter the pledge in the register of members (*libro soci*)**.** The Pledge created will have priority over all charges upon this entry being made.

Voting rights

The voting rights relevant to the pledged shares are transferred to the pledgee after executing the relevant formalities. Nevertheless it is worth noting that the pledgor and the pledgee may agree to a different distribution of voting rights. Therefore they may contractually set out that the pledgor keeps the voting rights at meetings of the shareholders of the pledgor.

Future capital increase and dividends

The security interest created by the pledge over shares will extend to any future capital increase of the company concerned, subject to carrying out the relevant formalities over any newly issued shares.

However, it should be noted that, after the grant of a pledge, dividends continue, as a rule, to accrue to the pledgor.

Pledge over accounts

In order for a pledge over accounts to be enforceable, the requirement for an identified subject matter of the pledge would require that the formalities for creating a pledge are carried out each time monies are credited or debited to the account.

According to article 2800 of the Italian Civil Code, the enforceability of such pledge would therefore be subject to (i) the written agreement between the parties and (ii) the service of the notice relevant to the pledge creation to the debtor whose bank account has been pledged (the "**Debtor**") or the pledge acceptance through a written document bearing date certain at law (*data certa*) by the Debtor. Moreover in case of pledgor default, the pledgee may demand that the claim received by the pledgor is assigned to him as payment up to the amount of his claim.

Assignment of receivables or claims by way of security (*cessione dei crediti a scopo di garanzia*)

Although widely used in commercial practice, Italian law does not specifically regulate the assignment of receivables or claims by way of security. Such assignment is governed by general rules on assignment of receivables. An assignment of future receivables by way of security is also a recognised form of security under Italian law. However, such an assignment is only perfected when the conditions to the receivable coming into existence have been satisfied and the receivable becomes actual. For instance, if an assigned receivable is the consideration for the use of an asset (such as rental payments in the case of leases), then the assignment is fully perfected only when the obligation to pay the relevant instalment has arisen and **provided that** the assignment has been fully perfected at that time. The consequence of this is that, in the case of the bankruptcy of the assignor, Italian law does not recognise the enforceability of the assignment as against other creditors until such assignment is perfected.

An assignment of receivables by way of security must be evidenced by a written document. In addition, the obligor of the receivables must have:

(a) been notified of the assignment; or

(b) acknowledged the granting of the assignment.

Such notification or acknowledgement (as applicable) must be in writing in a document bearing an indisputable date.

If the receivable is evidenced by a document (not having the characteristics of a security), the assignor is bound to deliver such document to the secured creditor. Receivables arising in respect of securities are pledged according to specific rules.

An assignment of receivables by way of security grants to the assignee the right to appropriate and apply the relevant amounts to discharge the secured obligations. Upon the secured obligations being discharged in full, the assignment is automatically terminated and the right to the receivables reverts to the assignor.

Registration process of the assignment by way of security of the claims arising under the lease agreements

The assignment by way of security of the claims arising under the lease agreements (the Assignment) should be registered with the competent registered offices (i.e. *Uffici del Territorio— Conservatorie dei Registri Immobiliari* and, in certain areas, *Uffici Tavolari*), in order to be enforceable and give priority vis-à-vis` third parties (including but not limited to any creditor of a Borrower), pursuant to Article 2643, No. 9 of the Italian Civil Code.

Assigning receivables generated by bank accounts by way of security

An assignment by way of security can be made over the receivables generated by a bank account (being the credit balance on such account and any entitlement to interest arising thereon). Such assignment is made according to the formalities for an assignment of receivables by way of security.

The bank which holds the "**assigned**" account will be the debtor of this type of security. At the date of the assignment it will affix over the relevant receivables.

Fluctuating credit balances

Due to the fact that the balance on the "**assigned**" account may fluctuate, it is necessary to re-create this security periodically so as to re-create the security over the amount standing from time to time to the credit of the account.

Such re-creation of the security may be carried out either:

(a) each time the balance of the account changes; or

(b) on a periodic basis previously agreed between the parties.

Enforcement proceedings

If a debtor, such as a mortgagor, does not perform the obligation in favour of the creditor, such as a mortgagee, Italian law provides for the enforcement proceedings as remedies since the creditor's rights are met.

Provisions on the enforcement proceedings are contained in the Italian Civil Code (articles 2910- 2933) and in the Italian Code of Civil Procedure (articles 474-632).

(a) service of notice of the title on which the enforcement proceedings are based (*titolo esecutivo*): for example, an enforceable decision of a court, or a promissory note (*cambiale*) or a bank draft (*assegno bancario*). A public instrument (*atto pubblico*) evidencing payment obligations also constitutes an enforceable title. This is why the practice has developed to execute lending contractual instruments in the form of an *atto pubblico*;

(b) service of the notice of the intention to start enforcement proceedings (*precetto*); and

(c) the attachment (*pignoramento*) of the debtor goods.

The enforcement proceedings are based, subject to specific exceptions, on the following prerequisites:

There are three types of enforcement proceedings, namely:

(a) proceedings involving real property (*espropriazione immobiliare*);

(b) proceedings involving movable property (*espropriazione mobiliare*); and

(c) enforcement proceedings involving third parties (*esproriazione presso terzi*).

However, all of them aim at meeting the creditor's right to be satisfied by way of either the assignment of the good concerned by one of the proceedings above (article 529 ff. of the Italian Code of Civil Procedure) or its forced sale (article 570 ff. of the Italian Code of Civil Procedure), the profit of which is given to the creditor.

The enforcement proceedings, pursuant to article 26 of the Italian Code of Civil Procedure, concerns the court of the place where the real or the movable property is situated.

The court of the place where the real or the movable property is situated will interview the parties, sustain or overrule objections (if any) and order the sale of the relevant property. It also may appoint a public notary or a lawyer or a business consultant (*commercialista*) to carry out the sale of the property overseeing the relevant proceeding.

In this case the public notary or the lawyer or the business consultant (*commercialista*) shall take various steps relating to bringing about the eventual sale of the property.

The involvement of the professionals above pursuant to Law No. 302 of 3 August, 1998 (the "**Law No. 302**") has the aim of reducing the duration of foreclosure proceedings and it may be ordered where the judge has not yet decided on the motion for an auction, a sale without auction has not been performed successfully and the judge – after consultation with the creditors – decides to proceed with an auction, and a possible receivership has ceased and the judge decides to proceed with a sale by auction.

Proceedings involving immovable property (espropriazione immobiliare)

Upon occurrence of an event of default, and following service of each of (i) the *titolo esecutivo* and (ii) the *precetto* (each as described above) the mortgagee may take steps to commence enforcement proceedings. The first of these steps, to be performed not earlier than 10 days, but not later than 90 days from the date on which the notice of the *precetto* has been served, is to perfect an attachment (*pignoramento*). However, in order to avoid the risk of delay, the court may allow the mortgagee to attach the property immediately (without observing the aforementioned period of 10 days) with or without the need for a deposit guarantee, as the case may be pursuant to article 482 of the Italian Code of Civil Procedure.

The perfection of the attachment (*pignoramento*) creates an interest over the assets to be expropriated, voiding them as against the mortgagee, any act of assignment or any disposal made by the mortgagor in respect of such attached assets. However, this is without prejudice to the rights of third parties, acting in good faith and being in possession of movable assets which are located on the mortgaged property, but not recorded in public registries.

In the context of the attachment (*pignoramento*), the mortgagee must first attach the mortgaged property, under article 2911 of the Italian Civil Code, and if necessary extend the attachment (*pignoramento*) to those goods which are not mortgaged.

An attachment (*pignoramento*) shall be served on the mortgagor by the court officer in compliance with article 555 of the Italian Code of Civil Procedure. The attachment (*pignoramento*) must contain (i) a detailed description of the property and rights upon which the execution is intended to be levied and (ii) a warning to refrain from any actions that may interfere with the function of that property, and any such rights constituting security for a claim. As of the date of the service of the attachment (*pignoramento*), the attachment (*pignoramento*) is perfected vis-à-vis the mortgagor. The attachment must then be registered at the appropriate land registry. Such registration perfects the attachment *vis-à-vis* third parties.

Furthermore, the court will, at the request of the mortgagee, appoint a custodian to manage the mortgaged property on behalf of the mortgagee. If the mortgagee does not make such a request, the mortgagor will automatically be entrusted with the custody of such property.

Not earlier than 10 days and not later than 90 days from the date of the attachment (*pignoramento*) served, the mortgagee, by filing a petition, may apply to the court for the assignment of the attached good, under article 529 ff. of the Italian Code of Civil Procedure, or for the sale of the attached property (*istanza di vendita forzata*), based on an appraisal of its value.

Within 120 days (postponable once) of the request of sale, the mortgagee must file to the court copies of the registration of the relevant mortgage, land register certificates (*certificati catastali*) and a copy of town-planning certificate in respect of the mortgaged property, pursuant to article 18 of Law No. 47 of 28th February, 1985.

However, as amended by Law No. 302, the mortgagee may substitute the land register certificates with a certificate issued by a public notary.

Sale of the attached property

If the mortgagee does not apply for the assignment of the attached property, it may receive payment of the sum obtained through a forced sale of the property.

A forced sale may be in the form of:

(a) a tender (*vendita senza incanto*) in respect of the attached property, or

(b) an auction (*vendita con incanto*) of the attached property.

In both cases, the court may appoint an expert to value the property (*consulente tecnico di ufficio*).

In case of tender (*vendita senza incanto*), if (i) the offer does not exceed the value of the attached property, as increased by one fifth, (ii) the mortgagee dissents or (iii) it is possible that an auction (*vendita con incanto*) of the attached property could realize a higher profit than a tender (*vendita senza incanto*),

such offer will be rejected by the court. In such case the court will order an auction (*vendita con incanto*). If the offer exceeds the value of the attached property, as increased by one fifth, the court may proceed with the sale if it believes that a better sale may not be achieved.

If more than one offer is made, the judge shall ask the offerors to bid for the highest offer. If such bids do not take place, the judge may order the sale in favour of the best offeror, or sale by auction.

If the court orders a sale by auction it will determine, on the basis of an expert's appraisal, the minimum bid price for the property. Offers which do not exceed the minimum bid price, or indeed the preceding offer, will not be accepted.

The mortgagee or any other interested creditor may, within 10 days after the auction (or at least 10 days prior to the auction), apply to the court for the attached property to be directly assigned to it should the sale by auction not take place due to lack of offers. If no applications are made or accepted, the court may arrange a new auction with a lower minimum bid price, or order temporary receivership (*amministrazione giudiziaria*) of the property.

Any amounts recovered in excess will be applied in satisfaction of the claims of all creditors participating in the foreclosure proceedings. Creditors holding valid mortgages over the property will be paid in priority to other creditors of the mortgagor. The balance, if any, will then be paid to a Borrower or to a third party guarantor.

The average length of foreclosure proceedings, from the date of the attachment to the final sharing out of proceeds is typically between six and seven years. However, after the enactment of the reform on length of proceedings, the average length of foreclosure proceedings is expected to be reduced.

Proceedings involving movable property (espropriazione mobiliare)

A mortgagee may resort to a forced sale of a debtor's movable property (*espropriazione mobiliare*) instead of, or in the case of a mortgagee intending to attach movable assets located in the mortgaged property, in addition to, real estate sale proceedings.

The mortgagee may commence a forced sale proceedings of a debtor's movable property by serving the *titolo esecutivo* together with a *atto di precetto* followed by the performance of the attachment (*pignoramento*) carried out at the debtor's premises by a court officer who will remove the attached moveable property or forbid the debtor from transferring or otherwise disposing of the attached movable property and appoint a third party or the debtor himself as custodian thereof.

Not earlier than 10 days but not later than 90 days from the attachment (*pignoramento*), the mortgagee may request the court to (a) share out all moneys found at the debtor's premises; (b) assign to the mortgagee the properties consisting of listed or marketable securities; and (c) sell the remaining attached moveable property.

The average length of a forced sale of debtor's movable property, from obtaining the court order or injunction of payment to the final pay out, is approximately three years.

Insolvency proceedings

Insolvency proceedings (*procedure concorsuali*) conducted under Italian law may take the form of, *inter alia*, a forced liquidation (*fallimento*), under article 5 ff. of the Bankruptcy Law, a composition with creditors (*concordato preventivo*), under article 160 ff. of the Bankruptcy Law, or an out-of court debts restructuring procedure (*accordi di ristrutturazione dei debiti*), under article 182-bis of the Bankruptcy Law). Insolvency proceedings are only applicable to commercial and not small businesses run either by companies or by individuals (*imprenditori commerciali non piccoli*). An individual who is not a sole entrepreneur is not subject to insolvency. The procedure followed will depend on factors relating to the financial status of the debtor, the court and the creditors involved. In each case, a lender must petition the court for approval of its claim against the debtor.

Bankruptcy (fallimento)

A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon the initiative of any of its creditors or any public prosecutors) if it is not able to timely and duly fulfil its obligations and the overall

amount of its obligations is not less than €30,000 (article 15 of the Bankruptcy Law). The debtor loses control over all its assets and the management of its business which is taken over by a court-appointed receiver (*curatore fallimentare*), save in the case, provided by article 104 of the Bankruptcy Law, of the court's authorisation to carry on the business or a portion of it temporarily (*esercizio provvisorio dell 'impresa del fallito*).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the court-appointed receiver (*curatore fallimentare*), and the creditors' claims have been approved, the sale of a Borrower's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be.

Importantly, an insolvent debtor or a debtor facing temporarily an economic and/or financial crisis may avoid being declared bankrupt by proposing to its creditors a creditors' agreement. See "*Composition with creditors* (*Concordato preventivo*)" below.

Due to the complexity of the insolvency proceedings, the time involved and the possibility of challenges and appeals by the debtor, there can be no assurance that any such insolvency proceedings would result in the payment in full of outstanding amounts under the Loan Portfolio or that such proceedings would be concluded before the stated maturity of the Notes.

After judicial insolvency proceedings are commenced, no legal action can be taken against the debtor outside the relevant insolvency proceedings and no foreclosure proceedings or forced sale proceedings may be initiated. Moreover, all actions taken and proceedings already initiated by creditors are automatically interrupted.

Composition with creditors (Concordato preventivo)

The composition with creditors (*concordato preventivo*) (the "**Composition**") is a restructuring proceeding involving a proposal of an arrangement by a debtor in a state of crisis or state of insolvency with its creditors, subject to court supervision. Its aim is to restructure the business and thus avoid a declaration of bankruptcy of such debtor. The proposal above must be contained in a plan which may provide for: (i) the restructuring of debts and the satisfaction of creditors in any manner, even through extraordinary transactions including the granting to creditors and their controlled company of shares, or bonds (also convertible into shares), or other financial instruments and securities; (ii) the assignment of the activities of the companies involved in the proposal of the Composition to another company (*assuntore*); (iii) the possible classification of creditors into classes; and (iv) different treatments for creditors belonging to different classes. Pursuant to the modifications to the Bankruptcy Law introduced by Law Decree No. 35 of 14 March 2005 and converted into Law No. 80 of 14 May 2005, the Composition procedure can only be initiated by a debtor entrepreneur filing a petition to the territorial competent court. The Composition is approved by a majority vote of the creditors entitled to vote. Where there are different classes of creditors, the Composition is approved by a majority vote of the creditors within the same class that are entitled to vote. Provided that this quorum is met, the relevant court may approve the Composition even when one or more classes have not given their consent, if it deems that such restructuring proceeding would not be less advantageous to dissenting creditors than other practicable solutions (cram-down mechanism). The Composition will end with a decree which is to be issued by the competent court. If the court or the creditors reject the offer, the entrepreneur concerned in the restructuring procedure may be declared bankrupt by the court.

Out-of -court debts restructuring procedure (accordi di ristrutturazione dei debiti)

Pursuant to Article 182-bis of the Bankruptcy Law, a debtor which is experiencing a state of crisis may require the ratification (*omologazione*) of a debts restructuring agreement (*accordo di ristrutturazione dei debiti*) entered into between it and its creditors representing at least 60 per cent. of the credits owed by it, by filing with the competent court the required corporate documentation and a certification of an expert – having certain characteristics – confirming (i) the feasibility of the debts restructuring agreement and (ii) its capability of procuring the regular payment of those creditors which are not a party to such debts restructuring agreement.

The debts restructuring agreement must be published in the debtor's companies' register and shall be effective as of the date of its publication. For a period of 60 days from the date of its publication, the debts restructuring agreement (*accordo di ristrutturazione del debito*) shall determine an automatic stay

period pursuant to which any creditor having a title against such debtor arisen in advance to the date of publication of the debts restructuring agreement, will not be allowed to commence or continue any enforcement or precautionary action on the assets of the debtor.

If the debts restructuring agreement complies with all the requirements set out by law and it is feasible to aim its purposes, the court shall issue a decree (decreto di omologazione) validating such debts restructuring agreement.

Lease Agreements and Business Lease Agreements

Lease Agreements

Pursuant to Article 27, last paragraph, of the law No. 392 of 27 July 1978 (the "**Law No. 392**"), lessees have a statutory right to terminate at any time their lease agreement for serious reasons (*gravi motivi*) upon service of a six-month advance notice on the lessor.

According to the prevailing case law, *gravi motivi* are considered to be objective events that are beyond the lessee's will and unforeseeable at the time the lease agreement is executed, which render extremely burdensome the performance of the lease agreement for the lessee. In particular, the Italian Supreme Court (*Corte di Cassazione*) has stated that the need to transfer the activity carried out in the rented premises to another location may be considered as *gravi motivi* for the purposes of Article 27 of the Law No. 392 **provided that** this need was not a free choice of the lessee and that it arose after the execution of the relevant lease agreement. In the same ruling, the Italian Supreme Court also confirmed the principle that *gravi motivi* are considered unforeseeable events which render the use of the leased real estate as originally planned burdensome for the lessee.

On the basis of the above, it may be argued that an event considered as *gravi motivi* must be unforeseeable at the moment of the execution of the lease agreement and objective (i.e. it cannot be connected to subjective choices of the lessee).

In accordance with the above principle, the Italian Supreme Court stated that: (i) the non-achievement of a preannounced plan of growth of a suburban zone on which the lessee had relied (the decision also clarified that the unforeseability must not be interpreted on an abstract and absolute sense but rather based upon the reasonable assurance that the event will occur), and (ii) economic trends, when objectively unforeseeable, may represent a *grave motivo* for the purposes of Article 27 of the Law No. 392.

The Italian Supreme Court also stated that the termination by the lessee of the activities for which the real estate was used does not represent, *per se*, a suitable requirement for the lessee to exercise its rights of withdrawal for *gravi motivi*, since this is considered a subjective decision of the lessee and not an objective and unforeseeable event.

In addition, pursuant to Article 79 of Law No. 392, any contractual provision which grants the lessor a benefit which is not in compliance with the provisions of Law No. 392 may be deemed to be null and void.

Extraordinary maintenance costs

According to Italian law and relevant case law, extraordinary maintenance costs include material maintenance and repair expenses necessary to maintain the properties fit for leasing purposes, including any substantial repair and maintenance works or replacement reasonably required by virtue of physical depreciation or inoperability of the properties and by new laws and regulations (excluding any works required by the specific activities carried out by the lessee), and any replacement or repair of structural elements (such as walls and roofs) which are essential for their safety and stability.

Extraordinary maintenance costs do not include regular and minor works reasonably required to maintain the properties in good maintenance conditions in connection with the regular use and operation of the same.

Extraordinary maintenance costs do not include modifications and improvements of the leased properties. Pursuant to article 1576, the extraordinary maintenance costs are borne by the landlord.

Provisions governing recovery of amounts due under the lease agreements A delay or a default by a tenant on its payment obligations under a lease agreement, entitles the landlord to serve the tenant with a motion for eviction (the "**Motion**"), and convene it to appear before the competent Court for the purposes of ordering the eviction (the "**Order**").

If the tenant does not appear before the Court, or does not challenge the Motion or does not cure its breach within the term granted by the judge, the Court issues the Order and orders the tenant to release the leased property. The issuance of the Order is made approximately 30-60 days from the date of the service of the Motion.

In the event the tenant challenges the Motion (i) the judge may still issue the Order and (ii) in any case special proceedings would follow in order to confirm the Order and to condemn the tenant to release the relevant property. Such proceedings may take a minimum of approximately 18-24 months.

If the tenant, notwithstanding the issuance and/or the confirmation of the Order, does not release the property within a reasonable time after the date of the issuance of the Order or of the confirmation of the Order, further proceedings in order to enforce the Order and obtain the release of the property will follow. The enforcement proceedings may take, on average, a minimum of approximately 6-9 months. During this period, the tenant has in any case to

(a) pay an indemnity for the unlawful occupation to the landlord; or

(b) terminate the relevant lease agreement pursuant to Article 1456 of the Italian Civil Code and claim the payment for damages through an ordinary judicial proceedings.

It may take a minimum of approximately 30-36 months to obtain the issuance of the sentence in first instance from such ordinary proceeding. The judgement issued in first instance is immediately enforceable *vis-à-vis* the condemned party.

In the event the condemned party challenges the judgement, appeal proceedings will follow that may take approximately 30-36 months. However, the Court of Appeal may stay the enforceability of the judgement issued in first instance if serious reasons occur (i.e. the risk that the condemned party could not obtain the restitution of the relevant amount at the moment of the issuance of the judgement in second instance, etc.); and submit a claim for payment of unpaid rents. Such proceedings may run independently of any of the two above described proceedings or in conjunction with any of them.

Should the landlord request the payment of the due rents, the judge may also order the tenant to pay the relevant rents by issuing an injunction order (the "**Injunction Order**"). Usually, in order to obtain the issuance of the Injunction Order written evidences of the due amount are requested. Having proved the due amount by filing the relevant invoices with the court, it is predictable that the judge would issue the Injunction Order.

The Injunction Order, which is immediately enforceable, must be served upon the tenant and may be challenged by it within 40 days from the date of the service. In the event the Injunction Order is challenged by the tenant, ordinary proceedings will start. Such proceedings may take a minimum of approximately 30-36 months.

Business leases

In Italy, business leases are governed exclusively by the provisions of the Italian Civil Code, and are not subject to Law No. 392.

A business lease is different from a lease mainly as a result of the fact that, under a business lease, the lessor leases to the lessee a going concern (*ramo d'azienda*). A typical going concern under business leases for retail premises within shopping centres would include the retail sales premises, the commercial licenses and goodwill relating to the business, as well as all equipment and furnishings and employees, if any, who work exclusively for the business. A typical business lease for retail premises for a shopping mall will grant the right to operate the going concern and rights relating to the use of the common areas and services of the shopping centres, and will not include any employees.

Because business leases are less regulated, the parties can freely agree the term of lease, and the amount of rent payable, which is generally structured as a minimum guaranteed rent plus a percentage of sales

revenues. Furthermore, lessees under business leases do not benefit from the break or withdrawal options available under Law No. 392 described above in "*Lease Agreements.*"

Upon termination of the lease, the lessee will be required to return the going concern as it was delivered upon commencement of the lease.

Effect of bankruptcy of the tenant on the lease agreement or business lease agreement

If a tenant is declared insolvent, the receiver is entitled either to continue or terminate the lease agreement, regardless of its contractual duration.

In case of continuation of the lease agreement, the receiver would be bound by the obligations of the tenant under the lease agreement (including obligations concerning the delivery of the real estate unit at the end of the lease), and would be obliged to pay any rent matured after the declaration of insolvency. According to certain case law, the lessor's credit for such amounts should be considered as immediately payable (*prededuzione*), and the receiver should be obliged to pay the rent according to the lease agreement provisions. The receiver would not be entitled to modify terms and conditions of the lease agreement and would be able only to decide whether or not to continue the lease agreement on the same terms and conditions.

Pursuant to Article 80 of the Bankruptcy Act, a Borrower is entitled to fair compensation (the "**Compensation**") if the receiver unilaterally elects to terminate the agreement. The Compensation is a preferential credit of a Borrower, to be paid by the receiver. Should an agreement between the parties not be reached, the Compensation is determined by the competent Bankruptcy Court, which mainly considers the remaining period of time during which the lease agreement should have been effective and the amount of the rent due.

Accounting treatment of the Loan Portfolio

Pursuant to the Bank of Italy regulations, the accounting information relating to the securitisation of the Loan Portfolio will be contained in the Issuer's *Nota Integrativa* which, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. None of the Issuer, the Lead Manager or any of the Other Issuer Creditors makes any representation with respect to the Tax structure of the Notes. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

*Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 giugno 2014 published in the Official Gazette No. 143 of 23 June 2014, ("**Decree No. 66**"), has introduced new tax provisions amending certain aspects of the tax regime of the Notes as summarised below. In particular the Decree No. 66 has increased from 20.00 per cent. to 26.00 per cent the rate of withholding and substitute taxes of interest accrued, and capital gains realised, as of 1 July 2014 on financial instruments (including the Notes) other than government bonds.*

Republic of Italy

Tax treatment of Notes issued by the Issuer

Italian Legislative Decree No. 239 of 1 April 1996 ("**Decree 239**") sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and similar securities and to any securities issued by Italian limited liability company incorporated under article 3 of Law No 130 of 30 April 1999. The provisions of Decree 239 only apply to Notes issued by the Issuer to the extent that they qualify as *obbligazioni* (bonds) or as *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**").

Italian resident Noteholders

Where an Italian resident Noteholder is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under "*Capital gains tax*" below);

(b) a non-commercial partnership;

(c) a non-commercial private or public institution; or

(d) an investor exempt from Italian corporate income taxation,

Interest relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as "*imposta sostitutiva*", levied at the rate of 26.00 per cent.. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. They must, however, be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP (the regional tax on productive activities).

Interest accrued on the Notes and received by Italian real estate funds (complying with the definition as amended pursuant to Law Decree n. 78 of 31 may 2010, converted into Law n. 122 of 30 July 2010) or a SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended,

apply, is subject neither to substitute tax nor to any other income tax in the hands of the real estate fund or SICAF. The income of the real estate fund or SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV, and the Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*. They must, however, be included in the management results of the fund or SICAV accrued at the end of each tax period. The fund or SICAV will not be subject to taxation on such result, but a withholding tax of 26.00 per cent. may apply on income of the fund or SICAV derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax (increased to 11.50 per cent. for fiscal year 2014, pursuant to Decree No. 66).

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary, and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying interest to a Noteholder or, absent that, by the issuer.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies **provided that** the non-Italian resident beneficial owner is:

(a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed (i) in the Italian Ministerial Decree dated 4 September 1996, as amended from time to time, or (ii) as from the fiscal year in which the decree pursuant to article 168-bis of Italian Presidential Decree of 22 December 1996, No 917 is effective, in the list of States allowing an adequate exchange of information with the Italian tax authorities as per the decree issued to implement Article 168-bis, paragraph 1 of Italian Presidential Decree of 22 December 1986, No. 917 (for the 5 years starting on the date of publication of the Decree in the Official Gazette, States and territories that are not included in the current black-lists set forth by Italian Ministerial Decrees of 4 May 1999, 21 November 2001 and 23 January 2002 nor in the current white list set forth by Italian Ministerial Decree of 4 September 1996 are deemed to be included in the new white-list); or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an "**institutional investor**", whether or not subject to tax, which is established in a country which allows for a satisfactory exchange of information with Italy.

In order to ensure gross payment, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest and must:

(a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and

(b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26.00 per cent. to Interest paid to Noteholders who do not qualify for the exemption.

Noteholders who are subject to the substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "*status*" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 26.00 per cent.. Noteholders may set off any losses with their gains. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

In respect of the application of *imposta sostitutiva* on capital gains, taxpayers may opt for one of the three regimes described below:

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholder holding the Notes. In this instance, "**capital gains**" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

(b) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta*

sostitutiva separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to:

(i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and

(ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, which may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

(c) In the "*risparmio gestito*" regime, any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26.00 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Pursuant to Decree No. 66, depreciations of the managed assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations in value registered before 1 January 2012; (ii) 76.92 per cent. of the depreciations in value registered from 1 January 2012 to 30 June 2014. The Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder that is a fund or a SICAV will be included in the result of the portfolio accrued at the end of the tax period. The fund or SICAV will not be subject to taxation on such results, but a withholding tax of 26.00 per cent. may apply on income of the fund or SICAV derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax (increased to 11.50 per cent. for fiscal year 2014, pursuant to Decree No. 66).

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected from the sale or redemption of Notes are exempt from taxation in Italy to the extent that the Notes are traded on regulated markets, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, **provided that** the effective beneficiary is:

(a) resident in a country which allows for a satisfactory exchange of information with Italy. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *risparmio gestito* regime or are subject to the *risparmio amministrato* regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above;

(b) an international entity or body set up in accordance with international agreements which have entered into force in Italy;

(c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an "**institutional investor**", whether or not subject to tax, which is established in a country which allows for a satisfactory exchange of information with Italy.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets and held in Italy may be subject to the *imposta sostitutiva* at the current rate of 26.00 per cent.. However, Noteholders may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the resident tax country of the recipient.

Inheritance and gift taxes

The transfer of Notes by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

(a) 4 per cent. for transfers in favour of the spouse and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding €1,000,000 (per beneficiary);

(b) 6 per cent. for transfers in favour of brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding €100,000 (per beneficiary);

(c) 6 per cent. for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and

(d) 8 per cent. for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress and/or the donee is a person with a severe disability pursuant to Law n. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds €1.500,000.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

(e) Italian inheritance tax and gift tax applies to non-Italian resident individuals for bonds issued by Italian resident companies.

Stamp Duty

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended by Article 1 par. 581 of Law No. 147 of 27 December 2013, a proportional stamp duty applies on a yearly basis to the periodic reporting communications sent by financial intermediaries to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at the rate of 0.20 per cent. and it cannot exceed Euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product

or financial instruments (including the Notes). Stamp duty applies both to Italian resident Noteholders and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Decree No. 201/2011, as amended by Article 1 par. 582 of Law No. 147 of 27 December 2013, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial assets held outside of the Italian territory.

Transfer tax

Contracts relating to the transfer of securities are subject to registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) are subject to a fixed registration tax of €200.00, and (ii) private deeds (*scritture private non autenticate*) are subject to a fixed registration tax of €200.00 only in case of use or voluntary registration.

Tax Monitoring Obligations

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013 and subsequently amended by Law No. 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to Notes deposited for management with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €10,000 threshold throughout the year.

EU Savings Directive

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a person within its jurisdiction to, or collected by such a person for an individual resident in that other Member State or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The withholding tax system applies for a transitional period during which the withholding tax rate is 35 per cent. The European Commission has proposed certain amendments to the EU Savings Directive which, if implemented, may amend or broaden the scope of the requirements described above. In April 2013, the Luxembourg Government announced

its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

Also with effect from 1 July 2005, a number of non-EU countries, including Switzerland and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for an individual resident or certain limited types of entity established in one of those territories.

On 24 March 2014, the European Council formally adopted a Council Directive amending the EU Savings Directive (the "**Amending Directive**") and broadening the scope of the requirements described above. Member States are required to implement national legislation giving effect to these changes by 1 January 2016. That domestic legislation must be applied from 1 January 2017. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Implementation in Italy of the Savings Directive

Italy has implemented the Savings Directive through Legislative Decree No. 84 of 18th April, 2005 (Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, for interest paid from 1 July 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax. Instead, they shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

The Lead Manager has, pursuant to the Subscription Agreement dated on or about the Issue Date between the Issuer, the Originator, the Representative of the Noteholders, the Sole Arranger and the Lead Manager, agreed to subscribe and pay the Issuer for the Notes at their Issue Price of 100 per cent. of the Principal Amount Outstanding of the Notes upon issue.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances prior to payment for the Notes to the Issuer. The Issuer has agreed to indemnify the Lead Manager against certain liabilities in connection with the issue of the Notes.

General Selling Restrictions

Each of the Issuer and the Lead Manager has, pursuant to the Subscription Agreement, undertaken to the others that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes the Prospectus or any related offering material, in all cases at its own expense.

United States

The Lead Manager has acknowledged to the Issuer that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Lead Manager has represented, warranted and undertaken to the Issuer that:

(a) neither it, its Affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S under the Securities Act) with respect to the Notes;

(b) it, its Affiliates and any person acting on its or their behalf has complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act; and

(c) it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Notes, except with its Affiliates or with the prior written consent of the Issuer.

Terms used in this paragraph have the meaning given to them in Regulation S under the Securitisation Act.

European Economic Area

In relation to each Member State of the European Economic Area ("**EEA**") which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Issuer and the Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes will require the Issuer, and the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provisions, the expression of an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom

The Lead Manager has, pursuant to the Subscription Agreement, represented, warranted and undertaken each other and to the Issuer that:

(a) **Financial promotion**: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) **General compliance**: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, the Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public, and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy must be:

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, Financial Laws Consolidation Act, CONSOB Regulation No. 16190 of 29 October 2007, and any other applicable laws and regulations; and

(b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

General

Other than the approval by the Central Bank of Ireland of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive and implementing measures in Ireland, application having been made for the Notes to be admitted to the Main Securities Market of the Irish Stock Exchange and to trading on its regulated market and the filing of this Prospectus as a prospectus with the Companies Registration Office in Ireland, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or

from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Lead Manager has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

Persons into whose hands this Prospectus comes are required by the Issuer and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

Goldman Sachs International will hold the Class X Notes upon the Issue Date. Goldman Sachs International may distribute such Notes held by it to the market as permitted by applicable laws and regulations, but will be under no obligation to do so.

Interests of natural and legal persons involved in the issue/offer

Certain of the Lead Manager and their affiliates (including parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer, the Borrowers and their respective shareholders and affiliates in the ordinary course of business for which they have received and will receive compensation.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Meeting of the Quotaholder of the Issuer passed on 7 November 2013.

(2) Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Main Securities Market. The Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

(3) The Issuer is not involved in any litigation, arbitration, governmental or administrative proceedings relating to claims or amounts which are material and which may have, or have had, during such 12 months' period, a significant effect on its financial position nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

(4) As far as the Issuer is aware and/or able to ascertain from information published, the Franc Borrower is not involved in any litigation, arbitration, governmental or administrative proceedings relating to claims or amounts which are material and which may have, or have had, during such 12 months' period, a significant effect on its financial position nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

(5) As far as the Issuer is aware and/or able to ascertain from information published, Valdichiana is not involved in any litigation, arbitration, governmental or administrative proceedings relating to claims or amounts which are material and which may have, or have had, during such 12 months' period, a significant effect on its financial position nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

(6) Since the date of incorporation or establishment, the Issuer has not commenced operations and no financial statements have been made up as at the date of the Prospectus.

(7) Save as disclosed in this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

(8) The Issuer will produce proper accounts (*ordinaria contabilità*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer, where such documents will be physically available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(9) As far as the Issuer is aware and/or able to ascertain from information published, (i) there has been no material adverse change in the prospects of the Franc Borrower since the publication of the last audited financial statements of the Franc Borrower and (ii) there has been no significant change in the financial or trading position of the Franc Borrower which has occurred since their last audited financial statements dated 31 December 2013.

(10) As far as the Issuer is aware and/or able to ascertain from information published, (i) there has been no material adverse change in the prospects of Valdichiana since the publication of the last audited financial statements of Valdichiana, and (ii) there has been no significant change in the financial or trading position of Valdichiana which has occurred since the end of their last audited financial statements dated 31 December 2013.

(11) The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

	ISIN code	Common code
Class A	IT0005039075	109009342
Class X1	IT0005039273	109017868
Class X2	IT0005039281	109017906
Class B	IT0005039083	109009415

Class C	IT0005039182	109009431
Class D	IT0005039257	109009458
Class E	IT0005039265	109009482

(12) As long as the Notes are listed on the Irish Stock Exchange, copies of the following documents are physically available, may be inspected and obtained free of charge during usual business hours at the specified offices of the Paying Agent and of the Representative of the Noteholders, and are available at the at any time after the date of this Prospectus on the website of the Paying Agent at www.gctabsreporting.bnpparibas.com:

(i) the *statuto* and *atto costitutivo* of each of the Issuer, the Franc Borrower and Valdichiana;

(ii) the following agreements:

Loan Portfolio Sale Agreement;

Master Servicing Agreement;

Delegate Servicing Agreement;

Intercreditor Agreement;

Cash Allocation, Management and Payments Agreement;

Deed of Pledge;

Liquidity Facility Agreement;

Mandate Agreement;

Quotaholder's Agreement;

Corporate Services Agreement;

Monte Titoli Mandate Agreement;

Subscription Agreement; and

Master Definitions Agreement.

On request, either Loan Agreement is available on the website of the Paying Agent at www.gctabsreporting.bnpparibas.com.

(13) So long as any of the Notes remains outstanding, copies of the Calculation Agent Quarterly Reports shall be made available for collection at the registered offices of the Issuer, the Representative of the Noteholders and the Paying Agent, respectively, on each Calculation Date and on each date on which it is produced. The first Calculation Agent Quarterly Report will be available at the registered office of the Issuer, the Representative of the Noteholders and the Paying Agent on or about the Note Payment Date falling in February 2014. The Calculation Agent Quarterly Reports will be produced quarterly and will contain details of amounts payable on the Note Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Note.

(14) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately €180,000 (excluding servicing fees, the liquidity facility commitment fee and any VAT, if applicable).

(15) The estimated total expenses payable by the Issuer in connection with the admission of the Notes to trading on the regulated market of the Irish Stock Exchange amount to approximately €6,300 (excluding application of VAT, if any).

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

(17) Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

INDEX OF DEFINED TERMS

APPENDIX 1
INVESTOR PRESENTATION

Goldman Sachs

INVESTMENT BANKING DIVISION

Project Moda

Discussion Materials

Goldman Sachs International

July 2014

Disclaimer

This presentation is being delivered only to non-United States persons who would be purchasing in reliance upon Regulation S of the Securities Act as defined herein, contains indicative terms only and describes, among other things, notes (the "Notes") to be issued in a commercial mortgage-backed transaction. This presentation is being communicated only to (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as “relevant persons”). This presentation is communicated only to relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this presentation relates is available only to relevant persons and will be engaged in only with relevant persons.

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Table of Contents

I. Executive Summary

Executive Summary (1/2)

We are pleased to present to you a multi-loan CMBS transaction backed by two senior loans with current outstanding of €198.2m advanced by Goldman Sachs International Bank ("**GS**") to various borrowers sponsored by Blackstone to finance the acquisition and/or refinancing of retail assets spread across Italy

- The loans, which were fully underwritten by GS, include:
  - a 58.6% LTV, €78.0m (originally 58.9% LTV, €78.4m) mortgage term loan ("**Franc Loan**") (maturing in November 2018) secured on the Franc Property, a 32,657 sqm retail outlet centre which is 98.4%[1] occupied, located in Brescia, Italy. The Property comprises 152 units dedicated to shopping, as well as restaurants and ancillary services (banks, children's area etc.)
  - a 64.3% LTV[2], €120.2m mortgage term loan (the "**Vanguard Loan"**) (maturing in August 2019) secured on four retail assets. The 4 assets comprise 69,539 sqm of lettable area and are 93.8%[1] occupied:
    - Valdichiana Property (30,797 sqm), an Outlet Village built in 2005, located in Tuscany, comprising 133 units
    - Brindisi Property (12,100 sqm), A Shopping Centre built in 2007, located in Apulia region in Southern Italy, comprising 58 units
    - Carpi Property (10,828 sqm), a Shopping Centre built in 2005, located in the Romagna region in Northern Italy comprising 27 units
    - La Scaglia Property (15,816 sqm), a Shopping Centre built in 1997, located in the Lazio region near Rome, comprising 33 units
- The transaction is expected to be rated by Fitch and DBRS
- We expect the transaction to price in mid-July

[1] As of 25 March 2014 for Franc Property, and 31 March 2014 for Vanguard Properties.
[2] LTV is as of loan closing.

Executive Summary (2/2)

1 Strong Portfolio Performance and Diversified Tenancy Mix

- ✓ 5 assets, with the top 2 comprising 74.9% of value
- ✓ High occupancy[1] c.95%
- ✓ Top 10 tenants by base rent account for ca. 16% for the Franc outlet village, ca. 19% for the Valdichiana outlet village, and ca. 36% for shopping centres
- ✓ Effort ratio[2] of 11.8% for Vanguard and 14.7% for Franc
- ✓ WALT (Expiry)[3] of 4.40 years for Vanguard and 4.35 years for Franc

2 Diversified Geographical Concentration

- ✓ Assets located in various regions throughout Italy - 50% of the portfolio by value in North Italy, 39% in central Italy, and 11% in South Italy

3 Bonds Structure

- ✓ Call Protection until November 2015
- ✓ Subordination of Class X subject to trigger
- ✓ Principal Allocation Buckets subject to Sequential Amortisation Triggers

4 Loans Structure

- ✓ W.A. LTV of 62.1%
- ✓ 1% amortisation per annum
- ✓ €128m Day 1 equity from Sponsor[4]
- ✓ ICR and LTV Cash trap and Default triggers
- ✓ Adverse selection protection in Vanguard Loan:
  - o Amortization and allocated loan amounts based on Day 1 balances
  - o Minimum loan balance of €25m
- ✓ Release Price

5 Experienced Asset Management

- ✓ Blackstone has hired an experienced operating partner, Kryalos, to supervise and manage their retail portfolio in Italy
- ✓ Added Value Management have been appointed to provide property and asset management services for the Franc Property and will be appointed for the Valdichiana Property
- ✓ Multi Italy and Multi Management respectively have or will be appointed to provide property and asset management services for the 3 shopping centres

6 Experienced Sponsorship

- ✓ Blackstone are the largest real estate PE investors globally, with a strong track-record
- ✓ $81bn of global real estate assets under management
- ✓ Since late 2009, Blackstone's real estate funds invested or committed to invest $33.6bn in equity through their active debt and equity funds
  - o The acquisitions of the assets backing the two loans represented discounts to historical acquisition yields for the market

[1] Information as of 25 March 2014 for Franc Property, and 31 March 2014 for Vanguard Properties.
[2] Effort Ratio is as of 17-Jul-2013 for Franc Property, and as of 31-Mar-2014 for Vanguard Properties.
[3] WALT is calculated as of 21-July-2014.
[4] Assuming transaction closing costs include temporary working capital.

II. Transaction Overview

Transaction Overview (1/6)

Term Sheet

INVESTMENT BANKING DIVISION

Class	Amount (€m)	Rating	Cumulative W.A. LTV[1] (%)	Expected Maturity	Final Legal Maturity	W.A. Life (years)
Class A	145.1	A+ / A (high)	45.4	Aug-19	Aug-26	4.71
Class B	14.6	A / A	50.0	Aug-19	Aug-26	4.76
Class C	17.7	BBB- / BBB	55.5	Aug-19	Aug-26	4.75
Class D	3.8	BB+ / BBB	56.7	Aug-19	Aug-26	5.09
Class E	17.0	B / BB	62.1	Aug-19	Aug-26	5.09
Total CMBS	198.2		62.1			

Key Transaction Features

Note Priority of Payments

- Prior to expected maturity, separate waterfalls to be used for interest and principal
  - Interest to be applied pro-rata
  - All principal proceeds to be applied in accordance with principal allocation buckets detailed below
- Following a sequential payment trigger, all principal proceeds would be applied on a fully sequential basis among the Notes
- Post expected maturity, the interest and principal waterfalls will be combined and applied on a fully sequential basis
- Sequential payment trigger occurs at the earlier of: a) calculation date on which either loan is in special servicing, b) final maturity event of default, c) Note enforcement

Principal Allocation Buckets

Franc Loan

- Class A: 82.5%
- Class B: 8.5%
- Class C: 9.0%
- Class D: 0.0%
- Class E: 0.0%

Vanguard Loan

- Class A: 79.0%
- Class B: 2.0%
- Class C: 9.0%
- Class D: 2.0%
- Class E: 8.0%

NAI Amount

- If a loan suffers a principal loss following the final recovery determination by the servicer, an NAI Amount will arise to the extent of such principal loss
- On each Note Payment Date, interest accruing on the NAI Amount (such amount, the "NAI Interest") would be deferred to the following Note Payment Date, to the extent there are insufficient Interest Available Funds to pay the NAI Interest then outstanding (including deferred NAI Interest from previous Note Payment Dates). The deferral of the unpaid NAI Interest would be applied to the classes of Notes in a reverse sequential order beginning with the most subordinate class of Notes then outstanding
- The Liquidity Facility cannot be drawn to cover payment of any NAI interest. The NAI interest would be paid out of Interest Available Funds in priority to the payment of the Class X Notes

Class X

- Classes X1 and X2 to be included in the securitisation to capture excess spread. Class X1 to capture excess spread following payment of all interest and expenses on the notes up to the end of the call-protected period. Class X2 to capture any additional excess spread once the prepayment penalties expire
- Classes X1 and X2 to become subordinated following a Class X trigger event, which occurs at the earlier of: a) calculation date on which either loan is in special servicing, b) final maturity event of default, c) Note enforcement

[1] Weighted average LTV for the Notes is calculated by using the weighted average LTV of the individual loans.

Transaction Overview (2/6)

Term Sheet

Key Transaction Features

Liquidity Facility	■ €16.45m of Liquidity Facility; ■ Facility will cover: 1) Interest Shortfalls 2) Expense Shortfalls 3) Property Protection Shortfall ■ Interest shortfall covers interest on the most senior tranche of notes (excluding Class E) pre and post loan maturity. Liquidity Facility not to cover Class X or Class E
Minimum Denomination	■ €100k
Hedging	■ There is hedging at loan level – please see the key terms section of the Franc and Vanguard loans
Other Features	■ Controlling Class ("**CC**") mechanism: the junior most class outstanding (subject to the Controlling Class Test) shall be the controlling class. CC will have the right to elect and appoint an operating advisor to represent its interests and consult with the servicer or the special servicer in relation to the loan
Tail Period	■ 7 years
Cap on Euribor	■ During the tail period a cap of 7% on Euribor until legal maturity will apply to the Notes in reverse sequential order
Listing	■ Irish Stock Exchange
Payment Frequency	■ Quarterly
Note Payment Dates ("NPD")	■ 22nd of February, May, August and November
Interest Determination Date	■ 2 business days prior to the Note Payment Date
Retained Amount	■ Goldman Sachs International has undertaken to the Issuer that from the Issue Date as originator in accordance with (i) Article 405(1) of the CRR and (ii) Article 51 of (the "AIFMR") as it is interpreted and applied on the date of the Prospectus (in particular, in the light of Article 56 of AIFMR), it shall retain on an ongoing basis, a material net economic interest of not less than 5 per cent in the Securitisation
Available Funds Cap	■ Interest payable on the Class B, C, D, and E Notes will be capped at the lower of Interest Available Funds (excluding liquidity drawings), unless it's the most senior class, and the amount required to pay senior ranking items if and to the extent that the shortfall is due to an increase in the weighted average margin on the Notes due to prepayments of the loans or a reduction in the interest rate payable by operation of the Italian usury law
Prepayment Fee Allocation	■ On each Note Payment Date, any loan prepayment fees shall be allocated to the Notes (other than the Class X1 Note) by applying: a) where loan prepayment fees are received in respect of the Franc Loan, a loan prepayment fee rate of 0.40% to the Principal Amount Outstanding of the Notes redeemed; and/or b) where loan prepayment fees are received in respect of the Vanguard Loan, a loan prepayment fee rate of 0.50% to the Principal Amount Outstanding of the Notes. ■ The remainder of the loan prepayment fees on such Note Payment Date will be allocated to the Class X1 Note. ■ The loan prepayment fees that are allocated to the Notes (other than the Class X1 Note) shall be allocated between each Class of Notes (other than the Class X1 Note) on a proportional basis to the Notes redeemed weighted by the relevant Note margin as a proportion of the weighted average margin of the Notes (other than class X1)

Transaction Overview (3/6)

Term Sheet

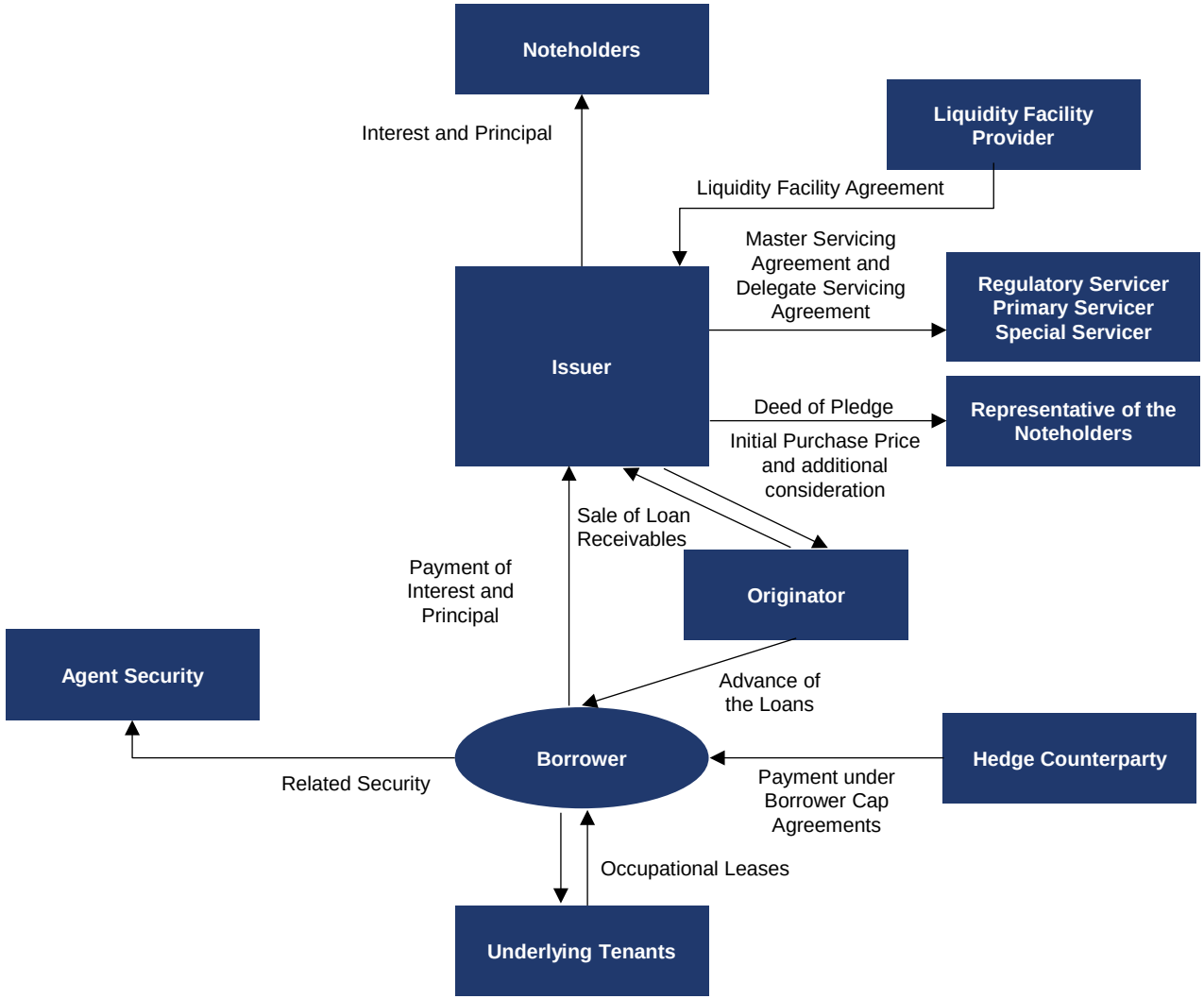
Key Transaction Features	
Note Maturity Plan	■ If a Loan remains outstanding 30 months prior to the Final Maturity Date of the Notes and the Special Servicer determines that the recoveries are unlikely to be sufficient to repay such Loan in full prior to the Final Maturity Date, the Special Servicer will prepare a Note Maturity Plan for discussion at a meeting of Noteholders. The Special Servicer will modify the plan to reflect the views of Noteholders expressed at the meeting (subject to the Servicing Standard) and present the revised Note Maturity Plan to the Most Senior Class of Noteholders who will select their preferred proposal which the Special Servicer will then implement. If the Most Senior Class of Noteholders do not approve any of the options, the Special Servicer will continue to enforce or workout the Loan in accordance with the Servicing Standard (save that it may not extend the Loan Maturity Date to a date less than 30 months prior to the Final Maturity Date)

Transaction Overview (4/6)

Indicative Overall Transaction Structure

Transaction Parties

Role	Entity
▪ Issuer	Moda 2014 S.r.l (Italian SPV)
▪ Borrower	Various borrowers Sponsored by Blackstone
▪ Master Servicer ▪ Corporate Servicer ▪ Calculation Agent ▪ RON	Securitisation Services
▪ Delegate Servicer (for primary and special servicing)	CBRE
▪ Liquidity Facility Provider	Goldman Sachs International Bank
▪ Quotaholder of the Issuer	Securitisation Services
▪ Issuer Account Bank ▪ Paying Agent	BNP Paribas Securities Services
▪ Cap Provider	Commonwealth Bank of Australia



Transaction Overview (5/6)

Prepayment Scenarios

Day 1: No Prepayment Capital Structure

Class	Amount	WA LTV	WA Debt Yield
Tranche A	145.1	45.4%	17.6%
Tranche B	14.6	50.0%	16.0%
Tranche C	17.7	55.5%	14.4%
Tranche D	3.8	56.7%	14.1%
Tranche E	17.0	62.1%	12.9%
Total	**198.2**	**62.1%**	**12.9%**

In this slide we aim to show impact of various prepayment scenarios to capital structure

As can be observed, In the scenarios shown, the WALTV[1] of the Class A to D is reduced as assets are sold or loans are refinanced

1 ***Prepayment of Franc Loan[2]***

Class	Amount	% of Total	WA LTV	WA Debt Yield
Tranche A	80.7	67%	43.2%	17.6%
Tranche B	8.0	7%	47.4%	16.1%
Tranche C	10.7	9%	53.2%	14.3%
Tranche D	3.8	3%	55.2%	13.8%
Tranche E	17.0	14%	64.3%	11.9%
Total	**120.2**	**100%**	**64.3%**	**11.9%**

2 ***Prepayment of Vanguard Loan[3]***

Class	Amount	% of Total	WA LTV	WA Debt Yield
Tranche A	50.2	64%	37.7%	22.5%
Tranche B	12.2	16%	46.9%	18.1%
Tranche C	6.9	9%	52.0%	16.3%
Tranche D	1.4	2%	53.1%	16.0%
Tranche E	7.4	9%	58.6%	14.5%
Total	**78.0**	**100%**	**58.6%**	**14.5%**

3 ***Prepayment of Shopping Centres[4]***

Class	Amount	% of Total	WA LTV	WA Debt Yield
Tranche A	101.2	71%	42.2%	20.1%
Tranche B	13.5	9%	47.8%	17.7%
Tranche C	12.7	9%	53.1%	16.0%
Tranche D	2.7	2%	54.3%	15.6%
Tranche E	12.6	9%	59.5%	14.3%
Total	**142.6**	**100%**	**59.5%**	**14.3%**

4 ***Prepayment of Outlet Villages[5]***

Class	Amount	% of Total	WA LTV	WA Debt Yield
Tranche A	16.8	43%	20.9%	31.1%
Tranche B	6.3	16%	28.8%	22.5%
Tranche C	3.4	9%	33.0%	19.7%
Tranche D	2.2	6%	35.7%	18.1%
Tranche E	10.5	27%	48.8%	13.3%
Total	**39.2**	**100%**	**48.8%**	**13.3%**

Source for NOI figures: PwC due diligence reports, borrower information. NOI for Vanguard Properties is as of December 2013, NOI for Franc property is as of September 2013 and calculated based on net rental income minus bad debt allowance, letting fees, legal fees, and rental collection fees.

[1] Assuming today's values.

[2] Loan outstanding after prepayment is Vanguard Loan.

[3] Loan outstanding after prepayment is Franc Loan.

[4] Assets outstanding after prepayment are the Franc Property and Valdichiana Property.

[5] Assets outstanding after prepayment are the Brindisi Property, La Scaglia Property, and Carpi Property.

Transaction Overview (6/6)

First period negative carry and EURIBOR mismatch analysis

INVESTMENT BANKING DIVISION

- Due to:
  - The first Note Payment Date falling in November 2014 being a long NPD with interest resetting at closing
  - The Vanguard Euribor having been set on May 27th to 0.40% until the November Loan Payment Date ("LPD")
  - The Franc loan Euribor having been set on May 13th to 0.34% until the August LPD
  - The Franc loan: (a) resetting its Euribor on the August LPD (b) being scheduled to amortise by 0.25% on the August LPD and (c) being able to be prepaid prior to and including the August LPD

…there may exist a mismatch between (a) the Interest that will be received from the underlying loans (and any interest earned until the November NPD on any principal (p)repayment received prior to and including the August LPD on the Franc loan) and (b) any interest that will be due to the bonds on the November NPD

- More specifically, upon a prepayment of the Franc loan, to the extent there is a shortfall on the first NPD due to such prepayment any prepayment fee received, shall be applied to cover any such shortfall first before being paid to the Notes

III. Collateral Overview

Collateral Overview (1/9)

Loan / Collateral Overview

INVESTMENT BANKING DIVISION

	Franc Loan	Vanguard Loan
Original Loan Amount	€78.4m	€120.2m
Securitised Loan Amount	€78.0m	€120.2m
Securitised Loan LTV	58.6%	64.3%
Margin	E + 450bps	E + 390bps (if the Valdichiana merger has not completed), E + 365bps (otherwise)
Maturity	November-2018	August-2019
Amortization	1% of initial loan balance per annum, paid quarterly	1% of initial loan balance per annum, paid quarterly
Interest Coverage Ratio[1]	NOI[2]: €11.3m Interest: €3.7m ICR: 3.03x	NOI[2]: €14.2m Interest: €4.99m if Valdichiana merger does not occur Interest: €4.69m if Valdichiana merger occurs ICR (no merger): 2.9x; ICR (merger): 3.0x
Financial Covenant Default	LTV is greater than 80%; or ICR is less than 1.4x (Subject to cure rights)	LTV is greater than 82.5%; or ICR is less than 1.4x (Subject to cure rights)
Cash Trap	All excess cash on the rental income account (i.e. cash otherwise available for distribution) will be deposited in a blocked account pledged to the Security Agent (the Cash Trap Account) if: — LTV is greater than 72.5%; or — ICR is less than 2.0x	All excess cash on the rental income account (i.e. cash otherwise available for distribution) will be deposited in a blocked account pledged to the Security Agent (the Cash Trap Account) if: — LTV is greater than 77.5%; or — ICR is less than 2.0x
No. of properties	1 Outlet Village	1 Outlet Village, 3 Shopping Centres
WALT[3] (Break)	3.15 years	3.31 years
WALT[3] (Expiry)	4.35 years	4.40 years

[1] For illustrative purposes. Interest coverage ratio (ICR) is calculated on NOI; however for purposes of covenant testing as per Loan Documentation, ICR is calculated on Net Rental Income. For Franc Loan, ICR shown is for the May-14 Loan Payment Date; For Vanguard loan, interest coverage ratio is annualised based on information as at Dec-13 and Mar-14.

[2] Source for NOI figures: PwC due diligence reports, borrower information. NOI for Vanguard Properties is as of December 2013, NOI for Franc property is as of September 2013 and calculated based on net rental income minus bad debt allowance, letting fees, legal fees, and rental collection fees.

[3] WALT is calculated as of 21-July-2014.

Collateral Overview (2/9)

Collateral Highlights

The two loans comprising the collateral for the CMBS are backed by two outlet villages and three shopping centers, spread across Italy

1 Location

Northern Italy

- Franciacorta Outlet Village and Carpi Property are located in Northern Italy
  - The Franciacorta Outlet Village is located along a state road and benefits from good visibility and a catchment population. Disposable income per capita of all of the provinces considered to form part of the property catchment area are between 5%-35% higher than the national average[1]
  - Purchasing power of the catchment area of the Carpi Property is 17% above the Italian average[1]

Central Italy

- Valdichiana Outlet Village and La Scgalia shopping centre are located in Central Italy
  - Purchasing power of the catchment area is 9% above the Italian average for Valdichiana , and 2% for La Scaglia

Southern Italy

- Brindisi Property is located in Southern Italy
  - Purchasing power of the catchment area is 26% below the Italian average overall, however an effort ratio of 9.8% demonstrates the strength of the centre regardless of the reduced purchasing power

2 Economies of Scale

- AVM's status as asset managers for both the Valdichiana and Franciacorta Outlet Villages should grant them greater negotiating power as regards tenant discussions
- Multi should also benefit from economies of scale due to their position managing over 56 shopping centres

3 Diversified Tenancy

- High occupancy c.95%[2]
- Top 10 tenants by base rent account for ca. 17% for the outlet villages and ca. 36% for shopping centres

4 Sustainable Effort Ratio

- Effort ratio of 12.8%[3]
- This reflects both affordability for the tenant, and rents which are appropriately sized versus the profitability of the units
- 2014 base rent for the portfolio is €28.9m[2], compared to market rent of €29.7m[4]

Source: Borrower information, Cushman & Wakefield Valuation Reports.

[1] According to Cushman & Wakefield Valuation Reports.

[2] Information as of 25 March 2014 for Franc Property, and 31 March 2014 for Vanguard Properties.

[3] Effort Ratio for Franc Property is based on property data backing the Cushman & Wakefield as of 17-Jul-2013; Effort Ratio for the Vanguard properties is based on property data backing the Cushman & Wakefield Valuation reports dated 31-Mar-2014.

[4] Source: Cushman & Wakefield valuation reports as of 17 July 2013 for Franc Property and 31 March 2014 for Vanguard Properties.

Collateral Overview (3/9)

Key Figures & Geographical Spread

Portfolio Overview

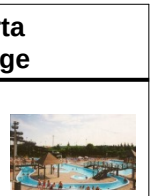
- The Property Portfolio comprises collateral from the two underlying loans – the Franc Loan and the Vanguard Loan
- The Vanguard Properties comprise 3 shopping centres (the Brindisi Property, the La Scaglia Property and the Carpi Property) and an outlet village (the Valdichiana Property). The sole Franc Property is one outlet village
- The Franc Property, located in Brescia, Italy, comprises 152 units and 32,657 sqm of lettable area. As of March 25 2014, it is 98.4% occupied and provides a base rent of c.€11.8m
- The Vanguard Properties comprise 3 shopping centres and 1 outlet village, with 251 units and 69,539 sqm of lettable area. As of 31 March 2014, the Vanguard Properties were 93.8% occupied and provide c.€17.1m of base rent

	Franc Property	Vanguard Properties
No. of Shopping Centres	0	3
No. of Outlet Villages	1	1
No. of Retail Units	152	251
Total GLA (sqm)	32,657	69,539
Base Rent [1](€m, annualised)	11,814,494	17,064,649
Occupancy rate[1]	98.4%	93.8%
WALT[2] (Break)	3.15	3.31
WALT[2] (Expiry)	4.35	4.40

Location – Franc

1 Franciacorta Outlet Village

Value €m	133.1
Of Total Value	42%
GLA sqm	32,657



Location - Vanguard

1 Carpi Property – Shopping Center

Value €m	27.2
Of Total Value	9%
GLA sqm	10,828

3 Brindisi Property – Shopping Center

Value €m	34.9
Of Total Value	11%
GLA sqm	12,100

2 Valdichiana Outlet Village

Value €m	106.6
Of Total Value	33%
GLA sqm	30,797

4 La Scaglia Shopping Center

Value €m	18.2
Of Total Value	6%
GLA sqm	15,816

[1] As of 25 March 2014 for Franc Property, and 31 March 2014 for Vanguard Properties.
[2] WALT is calculated as of 21-July-2014.

Collateral Overview (4/9)

Detailed Asset Overview

Property Summary

Ref.		GLA (sqm)	Opening Year	Units[4]	Occupancy[1] (% of GLA) 2011	2012	2013	2014	Base Rent[2] (€m) 2011	2012	2013	2014	NOI[3] (€m) 2013	Turnover (€m) 2011	2012	2013	Market Value[5] (€m)	Foot-fall[6] (m)	Sales Ratio[7]	Effort Ratio[8]
1	Valdichiana Property	30,797	2005/ 2007/2008	133	96.3	97.2	93.7	90.4	10.1	10.3	10.3	9.9	9.0	86.8	84.1	81.2	106.6	4.1	11.8%	16.4%
2	Brindisi Property	12,100	2007	58	98.7	99.2	99.0	96.7	3.1	2.8	3.1	3.0	2.4	30.3	33.5	34.9	34.9	4.9	8.6%	9.8%
3	La Scaglia Property	15,816	1997	33	100.0	87.9	94.9	94.4	2.4	2.2	2.0	1.9	0.8[9]	48.8	45.7	45.9	18.2	2.1	4.3%	5.6%
4	Carpi Property	10,828	2005	27	99.2	96.8	99.3	99.3	2.1	2.1	2.2	2.2	2.0	26.0	24.7	23.4	27.2	2.6	9.5%	11.7%
	Total	69,539		251	98.0	95.4	95.8	93.8	17.8	17.4	17.6	17.1	14.2	191.8	187.9	185.3	186.9	13.7	9.0%	11.8%

Ref.		GLA (sqm)	Opening Year	Units	Occupancy[1] (% of GLA) 2011	2012	2013	2014	Base Rent[2] (€m) 2011	2012	2013	2014	NOI[3] (€m) 2013	Turnover (€m) 2011	2012	2013	Market Value[5] (€m)	Foot-fall[6] (m)	Sales Ratio[7]	Effort Ratio[8]
1	Franc Property	32,657	2003/06	152	98.2	98.3	97.5	98.4	11.2	11.9	11.7	11.8	11.3	108.7	105.6	107.8	133.1	4.7	10.6%	14.7%

Source: Borrower Information, Cushman & Wakefield Valuation reports.

[1] 2013 occupancy rate for Franc is as of 17 July 2013. 2014 occupancy rates are as of 25 March 2014 for Franc, and as of 31 March 2014 for Vanguard Properties.

[2] Contractual rent excluding turnover rents. 2014 base rent is as of 25 March 2014 for Franc Property, and as of 31 March 2014 for Vanguard Properties.

[3] Source for NOI figures: PwC due diligence reports, borrower information. NOI for Vanguard Properties is as of December 2013, NOI for Franc property is as of September 2013 and calculated based on net rental income minus bad debt allowance, letting fees, legal fees, and rental collection fees.

[4] Number of units for La Scaglia Shopping Centre includes a hypermarket and 32 retail units.

[5] Net of acquisition costs at 1.0% and transfer tax at 4%.

[6] Footfall is for full year 2013. Footfall is based on information recorded by people counting systems installed at main accesses of the properties.

[7] Sales Ratio for Franc Property is based on property data backing the Cushman & Wakefield as of 17-Jul-2013; Sales Ratio for the Vanguard properties is based on property data backing the Cushman & Wakefield Valuation reports dated 31-Mar-2014. Total calculated as the sum of the individual properties' constituents.

[8] Effort Ratio for Franc Property is based on property data backing the Cushman & Wakefield as of 17-Jul-2013; Effort Ratio for the Vanguard properties is based on property data backing the Cushman & Wakefield Valuation reports dated 31-Mar-2014. Total calculated as the sum of the individual properties' constituents.

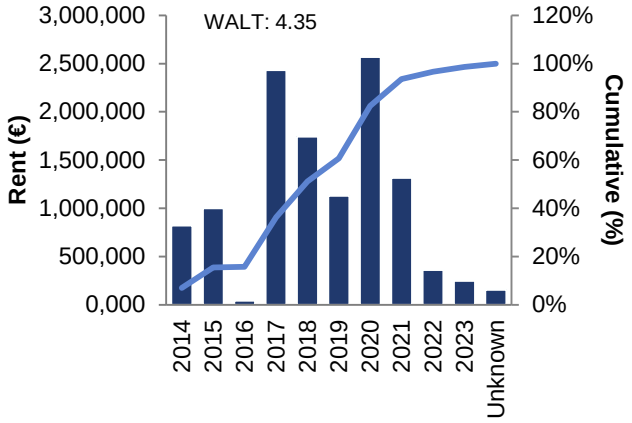
[9] During 2013 there was a partial refurbishment of the Conad hypermarket which resulted in it being closed for some time, therefore impacting performance.

Collateral Overview (5/9)

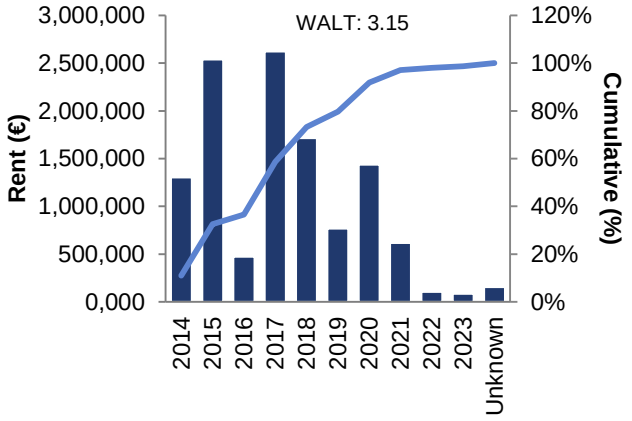
Leases

Franc

Lease Expiry Profile – Franc

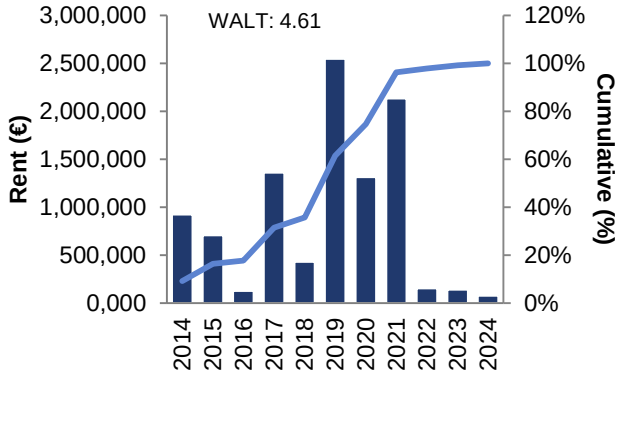


Lease Break Profile – Franc

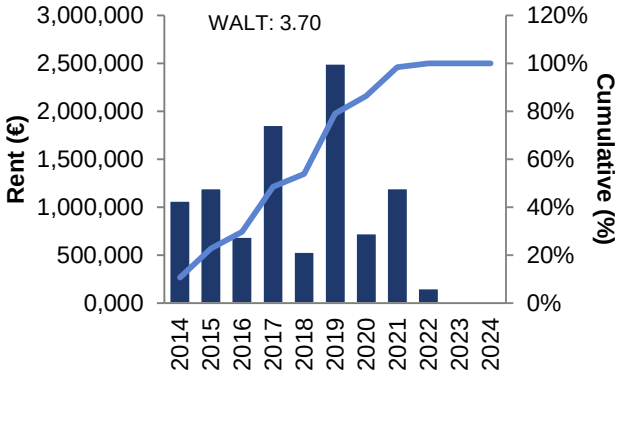


Valdichiana

Lease Expiry Profile – Valdichiana

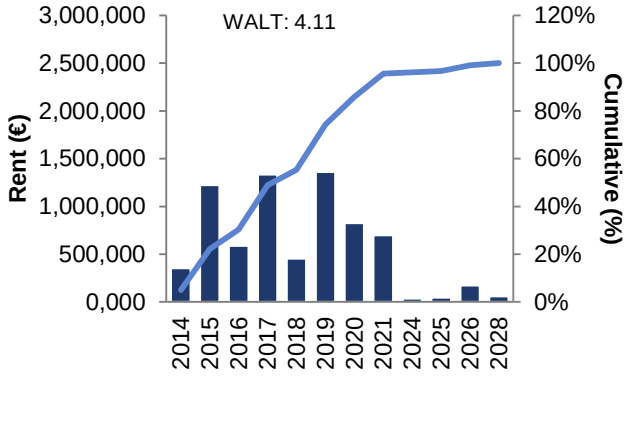


Lease Break Profile – Valdichiana

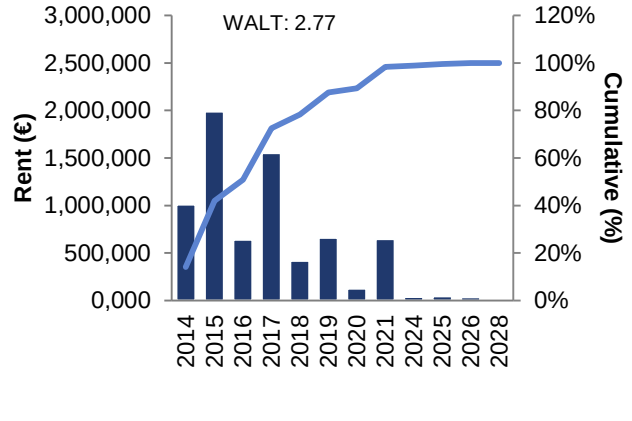


Shopping Centers

Lease Expiry Profile – Shopping Centers



Lease Break Profile – Shopping Centers



Source: Borrower information, based on contracted 2014 figures for each property.
Note: Weighted average lease tenure is calculated from 21-July-2014.

Collateral Overview (6/9)

Merchandising Mix & Top 10 Tenants – Franc Property

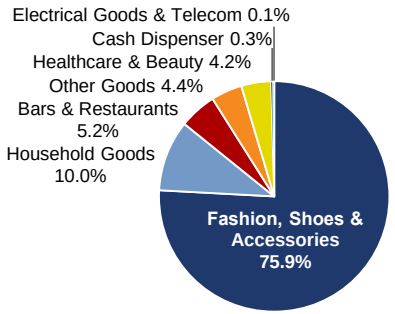
INVESTMENT BANKING DIVISION

Top 10 Tenants (Franc)

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Benetton	Fashion, shoes & accessories	534	1.6%	263,553	2.2%	31-Dec-2015	31-Dec-2015
Nike	Fashion, shoes & accessories	906	2.8%	260,545	2.2%	22-Jul-2015	22-Jul-2015
Puma	Fashion, shoes & accessories	480	1.5%	216,733	1.8%	12-May-2014	12-May-2014
Calvin Klein	Fashion, shoes & accessories	423	1.3%	206,139	1.7%	28-Sep-2020	28-Sep-2020
Asics	Fashion, shoes & accessories	553	1.7%	178,450	1.5%	31-Aug-2017	31-Aug-2017
Guess	Fashion, shoes & accessories	511	1.6%	161,966	1.4%	19-Oct-2018	18-Apr-2023
Autogrill	Bar and restaurants	657	2.0%	160,557	1.4%	30-Apr-2017	30-Apr-2017
Marina Militare	Fashion, shoes & accessories	387	1.2%	159,695	1.4%	12-Dec-2015	12-Jul-2018
Harmont & Blaine	Fashion, shoes & accessories	421	1.3%	151,160	1.3%	01-Sep-2020	01-Sep-2020
Alcott	Fashion, shoes & accessories	424	1.3%	146,968	1.2%	02-Jul-2014	01-Jul-2019
Sub Total		**5,297**	**16.2%**	**1,905,767**	**16.1%**	**07-Jan-2017**	**02-Jan-2018**
Other (136 tenants)		27,360	83.8%	9,908,726	83.9%	17-Oct-2017	15-Jan-2019
Total		**32,657**	**100.0%**	**11,814,494**	**100.0%**	**01-Sep-2017**	**15-Nov-2018**

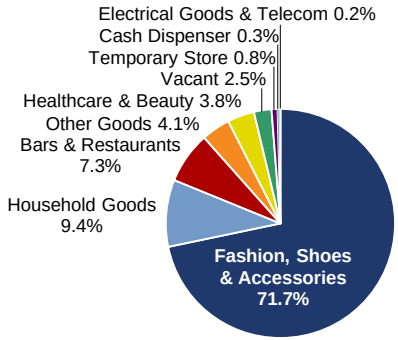
Merchandising Mix (Franc)[1]

Rent (€)



Total: €11,664,530

Total GLA (sqm)



Total: 32,657sqm

Source: Borrower information and Cushman & Wakefield.

[1] Rent shown in the merchandising mix for Franc Property is the base rent as of 17 July 2013.

Collateral Overview (7/9)

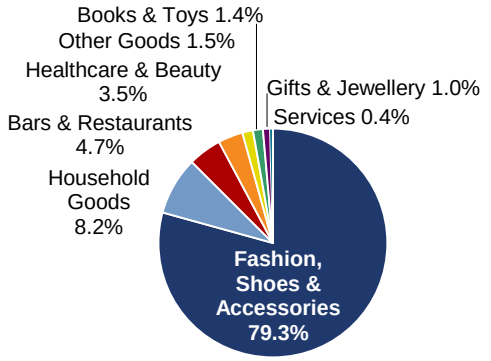
Merchandising Mix & Top 10 Tenants – Valdichiana Property

Top 10 Tenants (Valdichiana)

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Nike	Fashion, shoes & accessories	751	2.4%	224,128	2.3%	15-Jul-2017	15-Jul-2017
Calvin Klein	Fashion, shoes & accessories	634	2.1%	221,053	2.2%	28-Sep-2020	28-Sep-2020
Benetton	Fashion, shoes & accessories	607	2.0%	213,705	2.2%	15-Jul-2019	15-Jul-2019
Adidas	Fashion, shoes & accessories	575	1.9%	201,322	2.0%	28-Apr-2017	28-Apr-2017
Industries Factory Store	Fashion, shoes & accessories	507	1.6%	192,714	1.9%	17-Jan-2016	18-Jul-2020
Bata	Fashion, shoes & accessories	450	1.5%	191,487	1.9%	15-Jul-2019	15-Jul-2019
Massimo Rebecchi	Fashion, shoes & accessories	488	1.6%	187,143	1.9%	09-Oct-2021	09-Oct-2021
VFG Factory Store	Fashion, shoes & accessories	462	1.5%	175,347	1.8%	31-Dec-2014	31-Dec-2014
Alcott	Fashion, shoes & accessories	460	1.5%	164,579	1.7%	07-Jul-2016	01-Jul-2021
Levi's	Fashion, shoes & accessories	435	1.4%	157,078	1.6%	15-Jul-2019	15-Jul-2019
Sub Total		**5,370**	**17.4%**	**1,928,557**	**19.4%**	**29-May-2018**	**14-Apr-2019**
Other (103 tenants)		25,427	82.6%	7,989,393	80.6%	13-Mar-2018	11-Feb-2019
Total		**30,797**	**100.0%**	**9,917,950**	**100.0%**	**28-Mar-2018**	**23-Feb-2019**

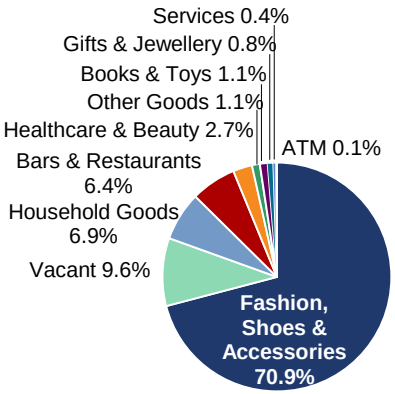
Merchandising Mix (Valdichiana)[1]

Rent (€)



Total: €9,917,950

Total GLA (sqm)



Total: 30,797sqm

Source: Borrower information and Cushman & Wakefield.

[1] Rent shown in the Merchandising Mix is the base rent as of 31 March 2014.

Collateral Overview (8/9)

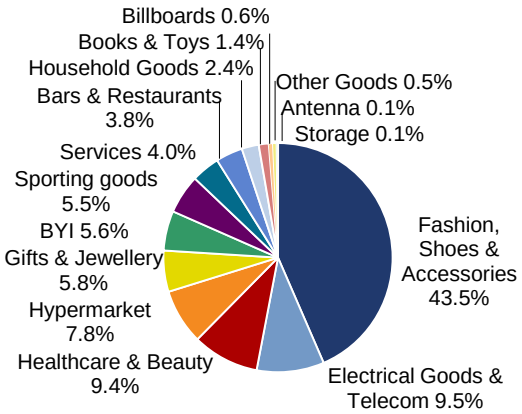
Merchandising Mix & Top 10 Tenants – Shopping Centers

Top 10 Tenants (Shopping Centres)

Brand	Sector	GLA (sqm)	% of Total GLA	Rent (€)	% of Total Rent	W.A. Lease Break	W.A. Lease Expiry
Conad	Hypermarket	6,350	16.4%	554,400	7.8%	24-Oct-2021	24-Oct-2021
Obi	BYI	2,786	7.2%	399,148	5.6%	28-Nov-2016	28-Nov-2016
Comet	Electrical goods & Telecom	2,114	5.5%	299,214	4.2%	01-May-2015	01-May-2015
Scarpe & Scarpe	Fashion, shoes & accessories	1,512	3.9%	281,014	3.9%	01-Sep-2019	01-Sep-2019
Zara	Fashion, shoes & accessories	1,491	3.8%	232,096	3.2%	01-Feb-2015	29-Sep-2019
Bata	Fashion, shoes & accessories	714	1.8%	172,000	2.4%	01-Jan-2017	31-Dec-2020
Game 7 Atheltics	Sporting goods	958	2.5%	172,000	2.4%	31-Dec-2017	30-Jun-2020
Piazza Italia	Fashion, shoes & accessories	958	2.5%	152,568	2.1%	31-Jul-2015	31-Jul-2015
Euronics	Electrical goods & Telecom	2,135	5.5%	150,000	2.1%	31-Dec-2017	31-Dec-2020
Happy Casa Store	Household Goods	1,004	2.6%	142,691	2.0%	31-Mar-2019	31-Mar-2019
Sub Total		**20,022**	**51.7%**	**2,555,132**	**35.8%**	**19-Jan-2018**	**27-Feb-2019**
Other (89 tenants)		18,720	48.3%	4,591,566	64.2%	06-Nov-2016	18-May-2018
Total		**38,743**	**100.0%**	**7,146,698**	**100.0%**	**21-Apr-2017**	**28-Aug-2018**

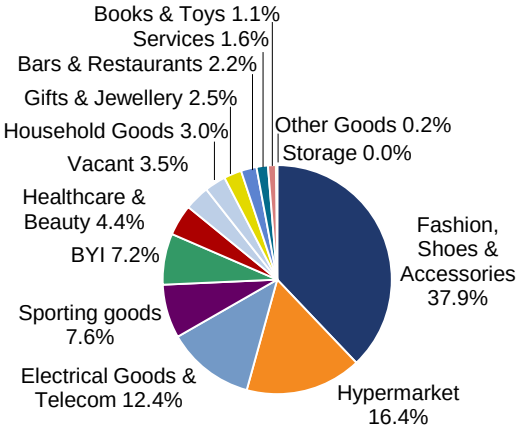
Merchandising Mix (Shopping Centres)[1]

Rent (€)



Total: €7,146,698

Total GLA (sqm)



Total: 38,743sqm

Source: Borrower information and Cushman & Wakefield.

[1] Rent shown in the Merchandising Mix is the base rent as of 31 March 2014.

Collateral Overview (9/9)

Valuation Summary

Vanguard Summary Table

Asset	Minimum Guaranteed Rent[1]	Expected Headline Rent[2]	Market Rent[3]	Other Income[4]	NOI (Net Operating Income)[5]	Market Value	% of Total Value	Net Exit Yield	Net Initial Yield[6]	Gross Initial Yield[7]	Gross Lettable Area (sq m)	Number of Units[8]
Valdichiana Property	€10,223,096	€10,877,767	€10,320,000	€165,326	€9,260,959	€106,600,000	57%	8.25%	8.69%	9.75%	30,797	133
Brindisi Property	€3,074,683	€3,236,367	€3,180,000	€276,941	€2,532,297	€34,900,000	19%	7.50%	7.26%	9.60%	12,100	58
Carpi Property	€2,294,461	€2,312,708	€2,150,000	€201,000	€2,056,583	€27,200,000	15%	7.25%	7.56%	9.17%	10,828	27
La Scaglia Property	€1,928,847	€2,221,719	€2,130,000	€96,966	€1,393,474	€18,200,000	10%	8.25%	7.66%	11.13%	15,816	33
Total	**€17,521,087**	**€ 18,648,561**	**€ 17,780,000**	**€ 740,233**	**€ 15,243,313**	**€ 186,900,000**	**100%**	-	-	-	**69,539**	**251**

Franc Property Summary Table

Asset	Minimum Guaranteed Rent[1]	Expected Headline Rent[2]	Market Rent[3]	Other Income[4]	NOI (Net Operating Income)[5]	Market Value	% of Total Value	Net Exit Yield	Net Initial Yield[6]	Gross Initial Yield[7]	Gross Lettable Area (sq m)	Number of Units
Franc Property	€11,920,503	€12,041,262	€11,878,000	€537,420	€11,308,242	€133,100,000	100%	8.00%	8.50%	9.36%	32,657	152

Sources: Cushman & Wakefield valuation reports dated 17-Jul-2013 for Franc and 31-Mar-2014 for the Vanguard Properties; Borrower Information

[1] *In year 1 of the DCF.*

[2] *Annual minimum guaranteed rent to be paid at the end of any rent-free or reduced-rent period, including estimated market rent for the units currently vacant.*

[3] *Including vacant space.*

[4] *Temporary lettings (mall income) and Turnover rent in year 1 of the DCF.*

[5] *Total rent after deduction for non recoverable costs in year 1 of the DCF.*

[6] *NOI on Market Value.*

[7] *Minimum guaranteed rent plus Other income on Market Value.*

[8] *Number of units for La Scaglia Property includes a hypermarket and 32 retail units.*

IV. Loan Description and Borrowing Structure

Loan Description (1/10)

Summary Terms

	Franc Loan	Vanguard Loan
Loan Amount	■ Original Amount: €78,437,500 ■ Current Balance: €78,045,313	■ €120,175,962
Interest Rate	■ 3m EURIBOR + 4.5%	■ 3m EURIBOR + (a) 3.9% p.a. prior to the Valdichiana merger (b) 3.65% p.a. thereafter
Amortisation	■ 0.25% of initial loan balance per quarter	■ 0.25% of initial loan balance per quarter
Maturity Date	■ 15 November 2018 (subject to Modified Following business day convention)	■ 15 August 2019 (subject to Modified Following business day convention)
Hedging	■ An interest rate cap has been entered into by the borrower with Commonwealth Bank of Australia on 24 September 2013	■ An interest rate cap has been entered into by the borrower with Commonwealth Bank of Australia on 28 May 2014
Prepayment Fees	■ Before 20 December 2013: 4.5% of principal prepaid; on or after 20 December 2013 but before 20 March 2014: 4.1%; on or after 20 March 2014 but before 20 June 2014: 3.7%; on or after 20 June 2014 but before 20 September 2014: 3.3%; on or after 20 September 2014 but before 20 December 2014: 2.9%; on or after 20 December 2014 but before 20 March 2015: 2.5%; on or after 20 March 2015 but before 20 June 2015: 2.1%; on or after 20 June 2015 but before 20 September 2015: 1.7% ■ Prepayment fees are payable in relation to (a) voluntary prepayments (other than (i) prepayments as a result of the exercise of a cure right (ii) prepayments from trapped cash (iii) prepayments in connection with a disposal of Plot III Land (iv) prepayment of a lender as a result of illegality, the application of tax-gross up and indemnities or lender default) (b) change of control or (c) disposal proceeds	■ Before Loan Payment Date falling in November 2014: 3.0% of principal prepaid; on or after 15 November 2014 but before 15 February 2015: 2.5%; on or after 15 February 2015 but before 15 May 2015: 2.0%; on or after 15 May 2015 but before 15 August 2015: 1.5%; on or after 15 August 2015 but before 15 November 2015: 1.0% ■ Prepayment fees are payable in relation to (a) voluntary prepayments (other than (i) prepayments as a result of the exercise of a cure right (ii) prepayments from trapped cash (iii) prepayments in connection with the remedy of an expropriation or major damage default (iv) prepayment of a lender as a result of illegality, the application of tax-gross up and indemnities or lender default) (b) change of control (c) prepayments due to the loan amount being less than EUR25m (other than where the reduction has occurred due to a prepayment which would not trigger a prepayment fee) (d) disposal proceeds
Cash Trap	■ At any time when a cash trap event is continuing, all excess cash flow from the rental income account will be deposited in a blocked account pledged to the Security Agent. ■ Cash trap events are as follows: - LTV Ratio greater than 72.5%; or - ICR less than 200%	■ At any time when a cash trap event is continuing, all excess cash flow from the rental income account will be deposited in a blocked account pledged to the Security Agent. ■ Cash trap events are as follows: - LTV Ratio greater than 77.5%; or - ICR less than 200%
Default Covenants	■ ICR < 140%; or ■ LTV > 80%	■ ICR < 140%; or ■ LTV > 82.5%

Loan Description (2/10)

Security Package

Franc Loan

- The obligors have granted security over their respective assets in the form of (i) mortgages over their property (ii) pledges over the quota or shares of their subsidiaries (iii) an assignment of their receivables in respect of acquisition agreements, occupational leases, hedging agreements and insurance, an assignment or pledge over intercompany loan receivables and pledges over bank account

Vanguard Loan

- The obligors have granted security over their respective assets in the form of (i) mortgages over their property (ii) pledges over the quota or shares of their subsidiaries (iii) an assignment of their receivables in respect of acquisition agreements, occupational leases, hedging agreements and insurance, an assignment or pledge over intercompany loan receivables and pledges over bank accounts
- The security granted by the obligors incorporated in Luxembourg supports the obligations of each other obligor and is not contractually limited
- Prior to the completion of the Valdichiana merger:
  - the security granted by the Brindisi, La Scaglia and Carpi property-owning obligors shall not secure the obligations of the Valdichiana property-owning obligor or the obligors incorporated in Luxembourg but shall secure the obligations of each other Vanguard obligor
  - the security granted by the Valdichiana property-owning obligor shall not support the obligations of any other obligor
  - the security granted by the holding company of the Valdichiana property-owning obligor ("**Vanguard Italian Bidco**") shall not secure the obligations of the obligors incorporated in Luxembourg but shall secure the obligations of each other Vanguard obligor
- After the completion of the potential Valdichiana merger:
  - the security package granted by the Brindisi, La Scaglia and Carpi property-owning obligors shall be expanded to also secure the obligations of the Valdichiana property-owning obligor.
  - the security package granted by the Valdichiana property-owning obligor shall be expanded to also secure the obligations of the Brindisi, La Scaglia and Carpi property-owning obligors and the obligations of the surviving company of such merger
- The recourse of the Vanguard finance parties to the guarantees and the security granted by an Italian obligor in support of the obligations of other obligors is contractually capped to: (i) in respect of the Brindisi property owning obligor, €15,800,000; (ii) in respect of the Carpi property owning obligor, €9,700,000; (iii) in respect of Vanguard Italian Bidco, prior to the completion of the Valdichiana Merger, €16,994,500 and from the completion of the Valdichiana Merger, €50,500,000; and (iv) in respect of the La Scaglia property-owning obligor, €11,050,000

Loan Description (3/10)

Specific Franc Loan Terms

Cure Rights	■ If the LTV default covenant is not satisfied on any test date, the Luxembourg holding company may within 20 business days of that test date: (i) deposit into a specified account controlled by the agent, or (ii) prepay the loan in, an amount which when taken into account for the purpose of testing such covenant would ensure compliance with the LTV default covenant ■ If the ICR default covenant is not satisfied in respect of any test period, the Luxembourg holding company may within 20 business days of the LPD falling immediately after the end of the relevant test period: (i) deposit into a specified account controlled by the agent, or (ii) prepay the loan in, an amount which when taken into account for the purpose of testing such covenant (assuming that such amount had been applied in prepayment on the first day of the test period) would ensure compliance with the ICR default covenant ■ The payment of any cure amount as described above may: (i) only be made a maximum of four times in total from the loan closing date; and (ii) not on more than two consecutive test dates
Net Rental Income	■ Means rental income in respect of the Franc Property after deducting (without double counting): (a) any payment to fund service charge expenses in respect of the Franc Property; (b) any sum representing any VAT chargeable in respect of the rental income; (c) non-recoverable property expenses; (d) registration and property taxes; and (f) rent collection fees
Interest Coverage Ratio (“ICR”)	■ Means, on each LPD, the ratio between (i) the sum of the actual Net Rental Income relating to the 12-month period ending on the last day of the financial quarter falling immediately prior to that LPD; and (ii) the aggregate amount of interest payable to the finance parties under the Facility Agreement minus the amounts received under the hedging arrangements during the same period
Loan to Value (“LTV”)	■ Means, on each relevant date, the ratio between (i) the principal amount outstanding under the Facility, assuming that any amount standing to the credit of the certain bank accounts have been applied in prepayment of Term Facility (and, in the case of an LTV test undertaken in connection with a compulsory purchase, assuming that the proceeds of such compulsory purchase have been applied in prepayment), and (ii) the market value of the Property determined in accordance with the most recent Valuation of the Property at that time
Release Price	■ All secured obligations
Governing Law	■ England and Wales

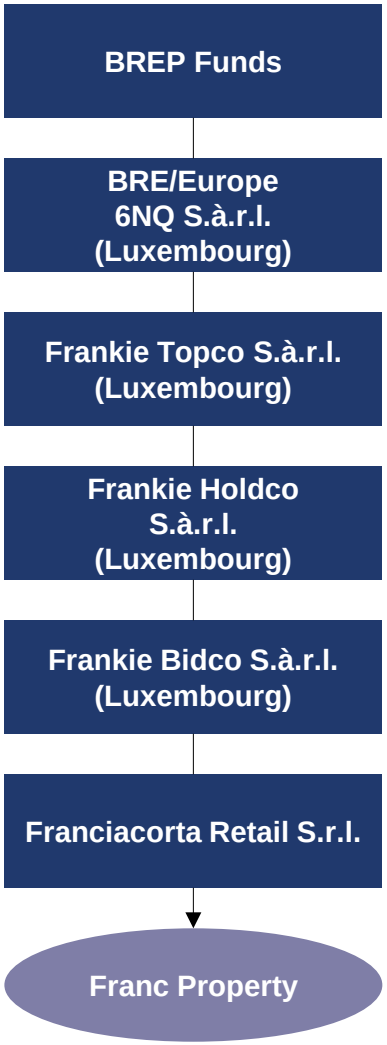
Loan Description (4/10)

Specific Franc Loan Terms

Plot 3	■ The Borrower is permitted to dispose of a certain part of the land identified in the loan agreement as the "Plot III Land" provided that the disposal is to an affiliate of the Sponsor (other than a member of the Group) and certain conditions are satisfied ■ If the Borrower intends to dispose of the Plot III Land it must notify the Facility Agent providing details of the price to be paid and the works to be carried out on that plot ■ Following receipt of such a notice the Facility Agent is required to instruct desktop valuations indicating the value of the property excluding the Plot III Land and assuming that the proposed works have been carried out on that land. If such valuations indicate a percentage decrease in the value of the Property which is not more than 3% the relevant disposal shall be permitted provided that it is contracted within one month of the relevant desktop valuation. If such valuations indicate a percentage decrease in excess of 3% the Facility Agent shall instruct market valuations to be carried out indicating the value of the property excluding the Plot III Land and assuming that the proposed works have been carried out on that land. If such valuations indicate a percentage decrease in the value of the Property which is not more than 3% the relevant disposal shall be permitted as described above. If such valuations indicate a percentage decrease in the value of the Property which is more than 3% the relevant disposal shall only be permitted if the Borrower prepays the loan in an amount which is equal to the product of (i) the outstanding principal amount of the loans and (ii) the percentage amount by which the percentage decrease in the value of the property indicated by the market valuations is more than 3 per cent

Loan Description (5/10)

Structure of the Franc Borrower



Loan Description (6/10)

Franc Loan Update

- Q1 2014 has shown strong operating performances achieving a +9,63% YTD sales growth and +5,36% increase on 12 rolling months turnover.
- The asset management team employed by Blackstone has begun to actively manage the tenancy profile of the asset, signing 11 new leases for a total MGR of €506k
  - Notable new openings were “Borbonese” (Italian classic luxury brand for bags and accessories), “Mountain Affair” (premium outdoor apparel), “La Piadineria” (a successful food formats in Italy, connected to one of Emilia Romagna’s regional foods, la piadina) and Crocs (shoes, sandals and clogs, a well-known American brand) which gave a certain contribution in the process of brand mix refinement, according to the goals of strategic repositioning of the asset
- The YTD sales increase has enabled the centre to exceed the threshold of € 110 million (analysing 12 rolling months periods), achieving the best performance since the opening in 2003.
- The attendance of the centre has increased by + 7.63% in car traffic (in comparison to the same quarter of last year).

Source: Borrower information as of 31 March 2014

Loan Description (7/10)

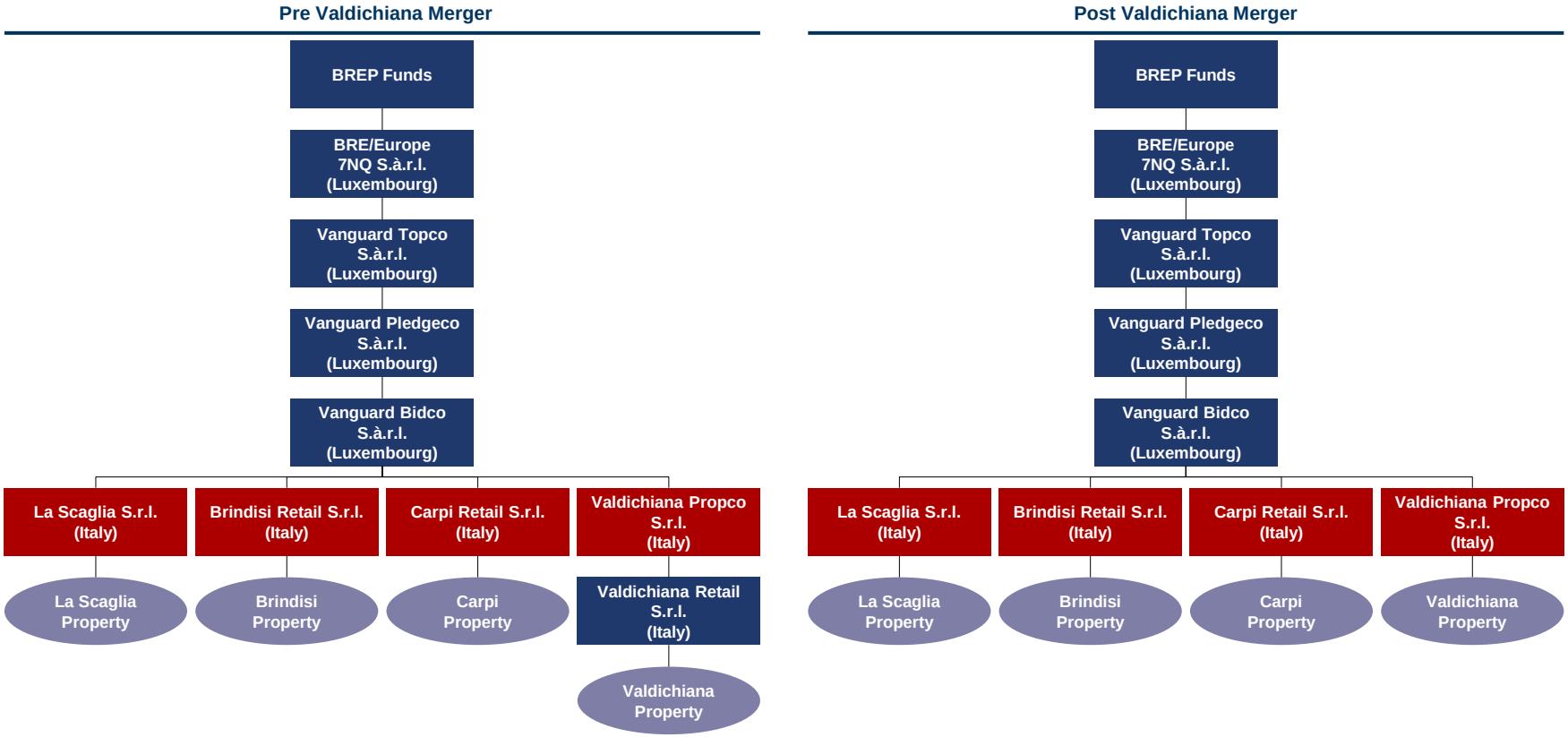
Specific Vanguard Loan Terms

INVESTMENT BANKING DIVISION

Cure Rights	■ If the LTV default covenant is not satisfied on any test date, the Luxembourg holding company may within 20 business days of that test date: (i) deposit into a specified account controlled by the agent, or (ii) prepay the loan in, an amount which when taken into account for the purpose of testing such covenant would ensure compliance with the LTV default covenant ■ If the ICR default covenant is not satisfied in respect of any test period, the Luxembourg holding company may within 20 business days of the LPD falling immediately after the end of the relevant test period: (i) deposit into a specified account controlled by the agent, or (ii) prepay the loan in, an amount which when taken into account for the purpose of testing such covenant (assuming that such amount had been applied in prepayment on the first day of the test period) would ensure compliance with the ICR default covenant ■ The payment of any cure amount as described above may: (i) only be made a maximum of four times in total from the loan closing date; and (ii) not on more than two consecutive test dates
Net Rental Income	■ Means rental income in respect of the Vanguard Properties after deducting (without double counting): (a) any payment to fund service charge expenses in respect of the Vanguard Properties; (b) any sum representing any VAT chargeable in respect of the rental income; (c) non-recoverable property expenses; (d) registration and property taxes; and (f) rent collection fees
Interest Coverage Ratio ("ICR")	■ Means, on each LPD, the ratio between (i) the sum of the actual Net Rental Income relating to the 12-month period ending on the last day of the financial quarter falling immediately prior to that LPD; and (ii) the aggregate amount of interest payable to the finance parties under the Facility Agreement minus the amounts received under the hedging arrangements during the same period
Loan to Value ("LTV")	■ Means, on each relevant date, the ratio between (i) the principal amount outstanding under the Facility, assuming that any amount standing to the credit of the certain bank accounts have been applied in prepayment of Facility (and, in the case of an LTV test undertaken in connection with a compulsory purchase, assuming that the proceeds of such compulsory purchase have been applied in prepayment), and (ii) the value of the Properties determined in accordance with the most recent Valuation of the Properties at that time
Release Price	■ 115% of Allocated Loan Amount for the Carpi Property, Brindisi Property, Valdichiana Property ■ 100% of Allocated Loan Amount for the La Scaglia Property
Governing Law	■ England and Wales
Prepayment Process ***(Clause 7.8 of Vanguard SFA)***	■ Any prepayment has to be allocated pro-rata between the facilities to the extent possible by law other than (i) prepayments in connection with illegality which are paid to the relevant lender (ii) prepayments of insurance/recovery proceeds which are applied against the loan relating to the property to which such amounts relate first and then pro rata against the remaining facilities (iii) prepayments of permitted disposal proceeds which are applied against the loan relating to the property to which such amounts relate first and then pro rata against the remaining facilities ■ Following a prepayment arising from permitted disposal proceeds the ALA for the remaining assets will be reduced by a pro-rated portion of the release premium for the disposed asset

Loan Description (8/10)

Structure of the Vanguard Borrowers



Cross-Guarantee Entities (subject to limitations on the amounts of such guarantees)

Note: This chart only indicates cross-guarantees provided by borrowers (i.e. it does not show the guarantees provided by Vanguard Bidco and Vanguard Pledgeco). Valdichiana Propco Srl also provides a guarantee towards Valdichiana Retail S.r.l. in the pre-merger scenario

Loan Description (9/10)

Vanguard - Permitted Merger Process

- The four commercial real estate assets are owned by four different property companies named La Scaglia Srl, Brindisi Retail S.r.l. (formerly DEGI Brindisi Srl), Carpi Retail S.r.l. (formerly DEGI Carpi Srl) and Valdichiana Retail S.r.l. (formerly DEGI Valdichiana Srl) (the Targets). Other than in relation to the Valdichiana asset, the financing was pushed down in full to the asset owning entity upon completion of the acquisitions
- The company which directly owns the Valdichiana asset did not have sufficient debt capacity to absorb the full amount of senior debt of €70.4m to be allocated to that asset on day one
- Approximately €53.4m of debt was therefore pushed down to Valdichiana Retail S.r.l. (formerly DEGI Valdichiana Srl) at closing and approximately €17.0m was lent to (and remains with) its immediate holding company (Valdichiana Propco Srl (Italy)). The debt that remains at holding company level benefits from cross-collateralisation with the three other assets subject to limitations arising in connection with corporate benefit. The security granted by Valdichiana Retail S.rl. did not (at closing of the financing) support the obligations of the other obligors.
- The facility agreement contains an obligation on certain of the obligors to use reasonable endeavours to complete an upstream merger between Valdichiana Retail S.r.l. and its direct parent, Valdichiana Propco Srl. In the event that such merger completes the surviving entity, Valdichiana Propco Srl, will own the Valdichiana asset and will be the borrower of the full amount of senior debt of €70.4m allocated to that asset. As a consequence of the merger Valdichiana Propco S.r.l. will be able to grant security in support of the obligations of the other borrower subject to limitations arising in connection with corporate benefit.
- Following diligence with counsel, we understand that the process involved in completing the merger is largely procedural and is expected to be completed by the first LPD (ie by 6 months from closing)
- As an additional incentive to the borrowers and the sponsor to complete the merger the initial loan margin (390bps) will step down to 365bps if the merger is completed and all related conditions subsequent in connection with such merger are complete and it will be the relevant margin applicable to the first LPD if completed by the LPD falling in November 2014, as expected
- The financing has been made available through 5 facilities, with different facilities corresponding to each borrower. All facilities are cross-defaulted. There is one set of covenants across all facilities
- The structure diagrams overleaf demonstrate the acquisition structure pre- and post-merger
- Prior to any merger of Valdichiana Propco Srl and Valdichiana Retail Srl, the loan made to Valdichiana Propco Srl will be secured by all the security for the loans other than any security created by Valdichiana Retail Srl and subject to the contractual caps more particularly described on page 25
  - Mortgages over La Scaglia Srl, Brindisi Retail Srl, and Carpi Retail Srl all benefit the debt at Valdichiana Propco Srl

Loan Description (10/10)

Sources & Uses

INVESTMENT BANKING DIVISION

Vanguard	
Uses	**Sources**
€184.9m *Portfolio consisting of 3 shopping centres and 1 outlet village*	€120.2m *Mortgage Loan*
Closing Costs €10.3m	€75.0m *Blackstone Equity*

GS Loan

Franciacorta	
Uses	**Sources**
€125.5m *Portfolio consisting of 1 outlet village*	€78.4m *Mortgage Loan*
Closing Costs €6.0m	€53.1m *Blackstone Equity*

GS Loan

Note: Closing costs include temporary working capital

V. Appendix: Transaction Parties

Transaction Parties (1/1)

Kryalos Asset Management

- Kryalos Asset Management, founded by Mr Paolo M. Bottelli, is Blackstone's Operating Partner in Italy. Mr Bottelli has over 22 years of experience in the real estate industry, most recently as CEO of listed Prelios SpA (formerly Pirelli Real Estate).
- In 2013, Mr Bottelli founded Kryalos Asset Management, an independent Advisory and Asset Management firm with a specialized team of professionals with deep expertise in the real estate industry (office, retail, logistics, hotels).
- Since the opening Kryalos Asset Management advised on multiple deals in Italy and presently advises and manages over €1bn of Blackstone assets: multiple retail assets (including Franciacorta Outlet Village and Valecenter shopping centre), various office transactions in Milan (including the RCS office complex), Rome and Florence, and logistics assets in Northern Italy.
- Mr Bottelli is also a Board Member of Assoimmobiliare, the Italian Real Estate Association, Chairman of Multi Italy and Advisory Board/Board Member of various Companies and listed real estate funds.

Added Value Management

- Resulting from a partial spin-off of Cushman & Wakefield Italy asset and property management department, AVM was set up in May 2009, thanks to the initiative of former head of CW department Dario Pistone and the most valuable members of his team and to the partnership with one of the most important developer of retail schemes in Italy (Gruppo Percassi/Stilo, currently working on several prominent projects, the Westfield Milan "the Mall of Italy" the most celebrated among others such as the new extension of Orio Center, San Pellegrino Outlet Village and Sicily Outlet Village).
- Skilled and experienced in the management of real estate commercial properties ranging from office buildings, to logistics platforms, shopping centers and retail parks, AVM received the first instructions from previous clients like Pradera and brand new ones such as ING Real Estate and Gruppo Stilo.
- This exciting and challenging mandate has seen AVM successfully become a specialized provider also for factory outlet managements, reinforced also by two other instructions received in 2010 by Degi/Aberdeen funds for the management of Franciacorta and Valdichiana Outlet villages. AVM commitment in those two outlets still continues nowadays thanks to the fruitful partnership with the new owner of the properties, the Blackstone Fund.

Multi Mall Management

- Multi is a leading owner, manager and (re)developer of high quality shopping centers across Europe and Turkey. As a well capitalized, growth-oriented pan-European platform Multi is focused on creating, managing and improving sustainable rental income. Multi's projects are often the catalyst for economic growth and social regeneration of cities and regions. Since its foundation in 1982 Multi has been responsible for more than 180 projects and owns and manages over 60 shopping centers. Multi is active in 12 countries including the Netherlands where the company is headquartered, as well as Belgium, Czech Republic, Germany, Italy, Poland, Portugal, Slovakia, Spain, Ukraine, the United Kingdom and Turkey.

INVESTMENT BANKING DIVISION

Project Moda

Investor Q&A

Goldman Sachs International

July 2014

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I. Additional Historical Information

Additional Historical Information

Franc

1

Franc Historical Occupancy

Date	Occupancy Rate
December 31st, 2008	98.60%
December 31st, 2009	98.55%
December 31st, 2010	96.42%
December 31st, 2011	98.17%
December 31st, 2012	98.31%

2

Additional Historical Financials

	Actuals			
€	Oct-2008 – Sept-2009	Oct-2009 – Sept-2010	Oct-2010 – Sept-2011	Oct-2011 – Sept-2012
Base Rent	10,744,070	11,151,405	11,231,576	11,807,207
Turnover Rent	763,129	766,923	738,311	613,049
Temporary Income	77,307	57,550	71,343	64,466
Gross Rental Income	11,584,507	11,975,879	12,041,229	12,484,722
Net Operating Income	10,731,295	11,044,575	11,963,037	12,073,133
Property Cash Flows	10,187,582	9,991,282	11,187,896	11,321,778

3

Franc Additional Historical Turnover

Year	Turnover (€m)
2009	78.3
2010	88.0

Source: Borrower information provided to the original lender

Additional Historical Information

Vanguard

1

Footfall (m)	2009	2010
Valdichiana	NA	4.43
Brindisi	2.08	3.08
Carpi	NA	NA
La Scaglia (Inc. Ipercoop)	2.24	2.22
Total	**NA**	**NA**

2

Sales (€m)	2009	2010
Valdichiana	82.89	86.40
Brindisi	22.11	25.35
Carpi	26.53	27.51
La Scaglia (Inc. Ipercoop)	52.86	50.14
Total	**184.39**	**189.41**

Source: Borrower information provided to the original lender

II. Other Q&A

Other Q&A
(1/3)

- **Q: Are the new leases signed in Franc over the last 12 months higher or lower than the existing ones?**
  - A: The new agreements signed over the last 12 month in Franc are overall 7.9% higher than existing ones[1]

- **Q: Can we get more information on AVM**
  - A: AVM was set up in May 2009 by the former head of Cushman & Wakefield's Asset Management Department, Dario Pistone, along with members of his team. They work in partnership with Gruppo Percassi / Stilo, a leading developer of retail schemes in Italy
    - Gruppo Percassi / Stilo are currently working on several prominent projects, such as the Westfield Milan, the new extension of Orio Center, the San Pellegrino Outlet Village, and the Sicily Outlet Village.

- **Q: What is the status of PUMA in Franc – did they exercise their break? For other tenants with 2014 lease events, has notice been given that they will leave?**
  - A: ***Franc and Valdichiana:***
    - Puma's contract in Franc has expired on April 2014. Renewal in line with the previous contract has been already agreed with the tenant. Concerning other tenants in Franciacorta and Valdichiana, the only termination notice received is the one from VFG in ValdiChiana (Alcott did not exercise their break option)
  - A: ***Carpi and Brindisi:***
    - No notices have been served by tenants to exercise their break option. Only unit 54 (Wind) in Le Colonne vacated their unit, while having a lease till 2018 and no anticipated break option.

Source: Borrower information provided to the original lender
1 Calculated over the 12 months ending on 30th June 2014

Other Q&A
(2/3)

- **Q: Can we get updated occupancy information?**
  - A: As-of July 8th 2014:
    - Franc[1]: 98%
    - Valdichiana: 91.0%
    - Brindisi: 96.3%
    - Carpi: 99.2%
    - La Scaglia: 94.5%
- **Q: Can we get the breakdown of tourist nationalities for each Outlet Village?**

Franciacorta Outlet Village Tourist Nationalities	
Germany	25%
Italy	17%
Russia	9%
Denmark	8%
Holland	8%
Israel	6%
Finland	4%
Swiss	3%
Belgium	2%
France	2%
England	2%
Austria	1%
Other	12%

Valdichiana Outlet Village Tourist Nationalities	
Italy	28%
Germany	10%
Holland	8%
Brasil	5%
Israel	5%
Russia	4%
Belgium	4%
Australia	3%
France	3%
Finland	2%
USA	2%
England	2%
Other	24%

Source: Borrower information provided to the original lender
1 Including two signed leases where the tenants will physically occupy the space within c.45 days

Other Q&A
(3/3)

- **Q: Am I correct in assuming that Nike, Asics and Puma can all vacate the property with 6 months' notice?**
  - A: Please note that Asics' break option has already expired. Puma are currently renewing their contract whilst only Nike still has an outstanding break option

Source: Borrower information provided to the original lender

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