

PROSPECTUS

DUNCANNON CRE CDO I PLC

(a public company with limited incorporated under the laws of Ireland, having its registered office at
5 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland,
and registered under the Companies Acts 1963 to 2006 of Ireland under number 428364)

€93,508,000 Class A Refinancing Senior Floating Rate Notes due 2047

Secured by a Portfolio of Collateral Debt Obligations (as defined herein) managed by FIG LLC

This Prospectus incorporates by reference certain sections of the Prospectus of Duncannon CRE CDO I PLC (the "**Issuer**") dated 27 July 2007 (the "**2007 Prospectus**") in relation to the issuance by the Issuer of, *inter alia*, the Class A Senior Floating Rate Notes due 2047 described therein with which the Class A Refinancing Senior Floating Rate Notes due 2047 currently being offered will rank *pari passu* and form a single series.

Interest on the Class A Refinancing Senior Floating Rate Notes which are offered hereby will accrue from 20 March 2012 (the "**Issue Date**") and be payable quarterly in arrear on 20 March, 20 June, 20 September and 20 December of each year (subject to adjustment for non-Business Days in accordance with the Conditions) (each a "**Payment Date**") commencing 20 June 2012 and ending on the Maturity Date (as defined below).

The Issuer will issue €93,508,000 Class A Refinancing Notes due 2047 (the "**Class A Refinancing Notes**") pursuant to the provisions of and subject to the conditions set out in Condition 19. The Class A Refinancing Notes will constitute a part of and form a single series with the Class A Senior Notes issued on 31 July 2007. The Class A Refinancing Notes will be issued and secured pursuant to a supplemental trust deed dated on or around 12 March 2012 which is supplemental to a Trust Deed, dated 31 July 2007 (as amended, restated and/or supplemented from time to time) made between (amongst others) the Issuer and US Bank Trustees Limited as trustee (the "**Trustee**") (together the "**Trust Deed**"). The terms and conditions of the Class A Refinancing Notes (the "**Conditions**") are set out herein under "Conditions of the Class A Refinancing Notes". The Class A Refinancing Notes will bear interest from the Issue Date at a per annum rate being three-month EURIBOR plus 0.28 per cent. per annum. The Class A Refinancing Notes will be limited recourse obligations of the Issuer.

There is no established trading market for the Class A Refinancing Notes. This Prospectus constitutes a prospectus for the purpose of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council (the "**Prospective Directive**") in respect of asset-backed securities within the meaning of Article 2(5) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 and the relevant implementing provisions in Ireland. The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves the Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Application has been made to the Irish Stock Exchange for the Class A Refinancing Notes to be admitted to the Official List and trading on its regulated market. Upon approval of the Prospectus by the Central Bank, the Prospectus will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005. Such approval relates only to the Class A Refinancing Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purpose of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

Any investment in the Class A Refinancing Notes does not have the status of a bank deposit, is not within the scope of the deposit protection scheme operated by the Central Bank and the Issuer is not regulated by the Central Bank.

The Class A Refinancing Notes have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered or sold only: (a) outside the United States to non-U.S. persons in reliance Regulation S under the Securities Act ("**Regulation S Notes**") and (b) within the United States or to U.S. persons (as defined in Regulation S under the Securities Act) who are both qualified institutional buyers ("**QIBs**") (as defined in Rule 144A under the Securities Act) ("**Rule 144A Notes**") in reliance on Rule 144A under the Securities Act and qualified purchasers ("**Qualified Purchasers**") within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the rules and regulations thereunder. The Issuer will not be registered under the Investment Company Act. Interests in the Class A Refinancing Notes will be subject to certain restrictions on transfer. See "**Subscription and Sale**" and "**Transfer Restrictions**". Each purchaser of Class A Refinancing Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements as set out under "**Subscription and Sale**" and "**Transfer Restrictions**".

It is a condition of the issue and sale of the Class A Refinancing Notes that the Class A Refinancing Notes be issued with at least the following ratings from Fitch Ratings Ltd. ("**Fitch**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P**"): B(sf) from Fitch and BB(sf) from S&P. Each of Fitch and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

FOR INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "**RISK FACTORS**".

CERTAIN SECURED ASSETS OF THE ISSUER ARE THE SOLE SOURCE OF PAYMENTS ON THE CLASS A REFINANCING NOTES. THE CLASS A REFINANCING NOTES DO NOT REPRESENT AN INTEREST IN, OR OBLIGATIONS OF, AND ARE NOT INSURED OR GUARANTEED BY, ANY OF THE NOTEHOLDERS, THE PORTFOLIO MANAGER, THE COLLATERAL ADMINISTRATOR, CITIBANK, N.A., LONDON BRANCH, THE TRUSTEE OR ANY OF THEIR RESPECTIVE AFFILIATES.

The Issuer expects to deliver the Class A Refinancing Notes to purchasers on or about 20 March 2012.

The date of this Prospectus is 12 March, 2012.

Regulation S Notes will each be represented on issue by beneficial interests in one or more permanent global notes (each, a "**Regulation S Global Note**" and together, the "**Regulation S Global Notes**") in fully registered form, without interest coupons, which will be deposited on the Issue Date with a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *societe anonyme* ("**Clearstream, Luxembourg**"). Neither U.S. Persons (as defined in Regulation S under the Securities Act) nor U.S. residents (as determined for the purposes of the Investment Company Act) may hold an interest in a Regulation S Global Note at any time.

Rule 144A Notes will each be represented on issue by beneficial interests in one or more permanent global notes (each, a "**Rule 144A Global Note**" and together, the "**Rule 144A Global Notes**"), in fully registered form, without interest coupons, which will be deposited on or about the Issue Date with a custodian for, and registered in the name of a nominee for, The Depository Trust Company ("**DTC**").

Ownership interests in the Regulation S Global Notes and the Rule 144A Global Notes (together, the "**Global Notes**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and DTC respectively, and their respective participants. Class A Refinancing Notes in definitive registered form will be issued only in limited circumstances. See "*Form of the Notes*" and "*Book-Entry Clearance Procedures*" below.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has 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.

FIG LLC (the "**Portfolio Manager**") accepts responsibility for the information contained under "Description of the Portfolio Manager" below. To the best of the knowledge and belief of the Portfolio Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Portfolio Manager does not accept any responsibility for the accuracy and completeness of any other information contained in this Prospectus nor otherwise for the structuring and operation of any arrangements relating to the Class A Refinancing Notes (save in its capacity as Portfolio Manager) referred to herein.

None of Citibank, N.A., London Branch (or any of its Affiliates), the Trustee or the Portfolio Manager has separately verified the information contained in this Prospectus and accordingly none of Citibank, N.A., London Branch (or any of its Affiliates), the Trustee or the Portfolio Manager (save in respect of the Portfolio Manager, the information contained under "Description of the Portfolio Manager" below) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or in any further notice or other document which may at any time be supplied in connection with the Class A Refinancing Notes or their distribution or accepts any responsibility or liability therefor. None of Citigroup Citibank, N.A., London Branch (or any of its Affiliates), the Trustee or the Portfolio Manager undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Class A Refinancing Notes of any information coming to the attention of Citibank, N.A., London Branch (or any of its Affiliates), the Trustee or the Portfolio Manager which is not included in this Prospectus.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, Citibank, N.A., London Branch (or any of its Affiliates) to subscribe for or purchase, any of the Class A Refinancing Notes in any jurisdiction by any person to whom it is unlawful to make such an offer or invitation in such jurisdiction.

For a description of certain further restrictions on offers and sales of the Class A Refinancing Notes and the distribution of this Prospectus and other documents, see "*Subscription and Sale*" and "*Transfer Restrictions*" below.

In connection with the issue and sale of the Class A Refinancing Notes, no person is authorised 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. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

Unless otherwise specified or the context requires, references to "**Euro**", and "**€**" are to the currency introduced at the start 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, references to "**Sterling**", "**pounds sterling**" and "**£**" are to the lawful currency for the time being of the United Kingdom and references to "**U.S. Dollars**" are to the lawful currency of the United States.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE CONDITIONS OF CLASS A REFINANCING NOTES AND THE OFFERING THEREOF DESCRIBED HEREIN, INCLUDING THE MERITS AND RISKS INVOLVED. THE CLASS A REFINANCING NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITIES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Class A Refinancing Notes described herein (the "**Offering**"). The Issuer reserves the right to reject any offer to purchase Class A Refinancing Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of Class A Refinancing Notes offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Class A Refinancing Notes. Distribution of this Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Each prospective purchaser, by accepting delivery of this Prospectus, agrees to the foregoing and to make no photocopies of this Prospectus or any documents related hereto and, if the offeree does not purchase the Notes of any Class or the Offering is terminated, to return this Prospectus and all documents attached hereto to the Issuer.

IRS CIRCULAR 230 NOTICE

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, TAXPAYERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN BY US TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY TAXPAYERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON TAXPAYERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the Class A Refinancing Notes, the Issuer will be required pursuant to the Trust Deed to furnish, upon request of a holder of a Class A Refinancing Note, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is not a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained by any person during usual business hours free of charge at the office of the paying agent in Ireland.

NOTICE TO NEW HAMPSHIRE RESIDENTS

FOR NEW HAMPSHIRE RESIDENTS ONLY: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER

421-B OF THE NEW HAMPSHIRE REVISED STATUTES (THE "[RSA](#)") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE.....	6
SUMMARY OF TERMS	8
RISK FACTORS	9
CONDITIONS OF THE CLASS A REFINANCING NOTES	10
USE OF PROCEEDS	10
RATINGS OF THE CLASS A REFINANCING NOTES	106
DESCRIPTION OF THE ISSUER.....	107
DESCRIPTION OF THE PORTFOLIO MANAGER.....	108
DESCRIPTION OF THE PORTFOLIO	110
SUBSCRIPTION AND SALE	111
GENERAL INFORMATION.....	119
DEFINED TERMS	121

DOCUMENTS INCORPORATED BY REFERENCE

The following document has been previously published or simultaneously published with this Prospectus and has been filed with the Central Bank of Ireland and shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the following sections of the 2007 Prospectus:
 - (i) the section entitled "**Summary of Terms**" on pages 3 to and including 24 of the 2007 Prospectus, as amended and set out on page 8 herein;
 - (ii) the section entitled "**Risk Factors**" on pages 25 to and including 84 of the 2007 Prospectus, as supplemented on page 9 herein;
 - (iii) the section entitled "**Form of Notes**" on pages 177 to and including 179 of the 2007 Prospectus;
 - (iv) the section entitled "**Book Entry and Clearance Procedures**" on pages 180 to and including 184 of the 2007 Prospectus;
 - (v) the section entitled "**Description of the Issuer**" on pages 186 to and including 188 of the 2007 Prospectus but not including the Loan Capital table which shall be replaced with the Loan Capital table on page 13 herein;
 - (vi) the section entitled "**Description of the Portfolio**" on pages 191 to and including 226 of the 2007 Prospectus, as amended and set out on page 16 herein;
 - (vii) the section entitled "**Assets Comprising the Portfolio**" on pages 227 to and including 239 of the 2007 Prospectus, but not including the section headed "**Proposal for Tax Reform**";
 - (viii) the section entitled "**Description of the Portfolio Management Agreement**" on pages 270 to and including 273 of the 2007 Prospectus;
 - (ix) the section entitled "**Description of the Reports**" on pages 274 to and including 276 of the 2007 Prospectus;
 - (x) the section entitled "**IRS Circular 230 Notice with respect to Tax Considerations and Certain ERISA Considerations**" on page 277 to and including 287 of the 2007 Prospectus; and
 - (xi) Appendix 1A and 1B of the 2007 Prospectus,

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Certain information contained in the 2007 Prospectus has not been incorporated by reference in this Prospectus. Such information is not relevant for prospective investors or is covered elsewhere in this Prospectus.

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement or contained in any document incorporated by reference therein, shall, to the extent applicable, be deemed to modify or supersede statements (whether expressly, by implication or otherwise) contained in this Prospectus or in a document, which is incorporated by reference herein. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents listed at (a)(i) to (a)(xi) above shall not form a part of this Prospectus.

The annual audited financial statements of the Issuer for the 2009 and 2010 financial years are deemed to be incorporated in, and to form part of, this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to Margaret Kennedy/Rhys Owens of 5 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland (corporate.services@db.com).

SUMMARY OF TERMS

The provisions of the section of the 2007 Prospectus headed "**Summary of Terms**" are incorporated into this Prospectus in full other than as follows:

The section headed "**Notes**" is deleted and replaced as follows:

Class A Refinancing Notes: €93,508,000 Class A Refinancing Senior Floating Rate Notes due 2047

The Class A Refinancing Notes are being issued pursuant to the provisions of and subject to the satisfaction of the conditions set out in Condition 19 - see "*Conditions of the Notes*" below

The Class A Refinancing Notes will be issued pursuant to a Supplemental Trust Deed to the Trust Deed made between (amongst others) the Issuer and the Trustee

The section headed "**Revolving Credit Facility**" is deleted and replaced as follows:

Revolving Credit Facility: The net proceeds of issuance of the Class A Refinancing Notes will be applied by the Issuer on the Issue Date in refinancing in full the principal amounts outstanding under the Revolving Credit Facility

The section headed "**Use of Proceeds**" is deleted and replaced as follows:

Use of Proceeds: The net proceeds of this issuance and offering of the Class A Refinancing Notes will be applied by the Issuer on the Issue Date in refinancing in full the principal amounts outstanding under the Revolving Credit Facility

The section headed "**Interest Payments**" is amended by the deletion of the sub-section headed "**Revolving Credit Facility**".

The section headed "**Non-Call Period**" is deleted.

The section headed "**The Offering**" is amended by the deletion of the words "**The Subscribed Notes of each Class**" and their replacement with the words "**The Class A Refinancing Notes**".

The section headed "**Ratings**" is deleted and replaced with the following:

Ratings: It is a condition of the issuance of the Class A Refinancing Notes that the Class A Refinancing Notes be assigned the following ratings by Fitch Ratings Ltd ("**Fitch**") and Standard and Poor's Credit Market Services Europe Limited ("**S&P**")

B(sf) from Fitch

BB(sf) from S&P

and that the issuance of the Class A Refinancing Notes will not cause the reduction or withdrawal of the current ratings of the Senior Debt and the other Rated Notes

RISK FACTORS

The section headed "**Risk Factors**" in the 2007 Prospectus is incorporated in its entirety.

In addition, prospective investors should carefully consider the following.

The credit performance of the Portfolio has materially deteriorated since 31 July 2007. A significant portion of the assets comprising the Portfolio consists of Real Estate Mezzanine Loans which are distressed or currently suffering losses and CMBS Securities most of which have been downgraded and a number of which are in default. Based on current credit estimates the Issuer is unlikely to recover sufficient amounts of principal from its assets to fully repay the Class A Senior Notes, including the Class A Refinancing Notes being offered by this Prospectus.

In addition, both the Second Senior Par Value Test and the Mezzanine Par Value Test are currently materially breached and the Interest Diversion Test is failed by a significant margin. See "*Description of the Portfolio*" below. Because of these breaches, the Issuer currently pays no interest on the Class C Notes and other subordinated classes of Notes and available funds are applied in amortising the Class A Senior Notes.

The ratings of the Notes of all Classes of the Issuer as at 29 February 2012 are as follows:

Class	S&P	Fitch
X	BB (sf)	BB sf
A	BB (sf)	B sf
B	BB- (sf)	CC sf
C1	B (sf)	C sf
C2	B (sf)	C sf
D1	B- (sf)	C sf
D2	B- (sf)	C sf
D3	B- (sf)	C sf
E1	B- (sf)	C sf
E2	B- (sf)	C sf

and Risk Factor 2.10 on page 29 of the 2007 Prospectus should be read accordingly.

The transaction remains in the Reinvestment Period and the Portfolio Manager continues to apply available funds in the acquisition of new assets for the Portfolio in accordance with the Eligibility Criteria. Investors should be aware that a large portion of the existing assets in the Portfolio are currently Haircut Obligations or Discount Obligations and are therefore accounted for at a value that is lower than their notional amount for the purpose of calculating the Par Coverage Numerator.

CONDITIONS OF THE CLASS A REFINANCING NOTES

The following are the conditions of the Class A Refinancing Notes substantially in the form in which they will be endorsed on such Class A Refinancing Notes if issued as Definitive Registered Notes and will be incorporated by reference into the Global Notes of the Class A Senior Notes (being the Class representing the Class A Refinancing Notes) subject to the provisions of such Global Notes, some of which will modify the effect of these Conditions. See "Form of the Notes—Amendments to Conditions".

The issue of €10,000,000 Class X Senior Notes due 2013 (the "**Class X Senior Note**"), €420,000,000 Class A Senior Notes due 2047 (and any Class A Refinancing Notes issued (as described and defined herein)) (the "**Class A Senior Notes**"), €40,000,000 Class B Senior Floating Rate Notes due 2047 (the "**Class B Senior Notes**" and, together with the Class X Senior Notes and Class A Senior Notes, the "**Senior Notes**"), €40,000,000 Class C-1 Deferrable Interest Floating Rate Notes due 2047 (the "**Class C-1 Deferrable Interest Notes**"), €20,000,000 Class C-2 Deferrable Interest Floating Rate Notes due 2047 (the "**Class C-2 Deferrable Interest Notes**" and, together with the Class C-1 Deferrable Interest Notes, the "**Class C Deferrable Interest Notes**"), €20,000,000 Class D-1 Deferrable Interest Floating Rate Notes due 2047 (the "**Class D-1 Deferrable Interest Notes**"), €20,000,000 Class D-2 Deferrable Interest Floating Rate Notes due 2047 (the "**Class D-2 Deferrable Interest Notes**"), €20,000,000 Class D-3 Deferrable Interest Floating Rate Notes due 2047 (the "**Class D-3 Deferrable Interest Notes**" and, together with the Class D-1 Deferrable Interest Notes and the Class D-2 Deferrable Interest Notes, the "**Class D Deferrable Interest Notes**"), €20,000,000 Class E-1 Deferrable Interest Floating Rate Notes due 2047 (the "**Class E-1 Deferrable Interest Notes**") and €20,000,000 Class E-2 Deferrable Interest Floating Rate Notes due 2047 (the "**Class E-2 Deferrable Interest Notes**" and, together with the Class E-1 Deferrable Interest Notes, the "**Class E Deferrable Interest Notes**" and, together with Class C Deferrable Interest Notes and the Class D Deferrable Interest Notes, the "**Mezzanine Notes**") occurred on 31 July, 2007 (save in relation to the Class A Refinancing Notes). The Senior Notes and the Mezzanine Notes are also referred to herein as the "**Subscribed Notes**". In addition, the Issuer issued €80,000,000 Subordinated Notes due 2047 (the "**Subordinated Notes**" and, together with the Mezzanine Notes and the Senior Notes, the "**Notes**"). The issue of the Notes by Duncannon CRE CDO I PLC (the "**Issuer**") was authorised by resolutions of the board of directors of the Issuer dated 23 July 2007. The Issuer also entered into a revolving credit facility agreement dated 31 July, 2007 pursuant to which a revolving credit facility (the "**Revolving Credit Facility**") was made available to the Issuer. Principal amounts drawn under the Revolving Credit Facility are secured alongside the Notes pursuant to the Trust Deed. The Class X Senior Notes and the Class A Senior Notes and the Drawn Amount and the Undrawn and Committed Amount of the Revolving Credit Facility are collectively referred to as the "**Senior Debt**". The Notes were constituted and issued pursuant to a trust deed (and together with any other security documents entered into in respect of the Notes, the "**Original Trust Deed**"), dated 31 July 2007 between (amongst others) the Issuer and U.S. Bank Trustees Limited (formerly Bank of America Trustees Limited, formerly ABN AMRO Trustees Limited), in its capacity as trustee (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Original Trust Deed) for the Noteholders (as defined in Condition 1 (*Definitions*)).

The issue of €3,508,000 Class A Refinancing Senior Floating Rate Notes due 2047 (being the Class A Refinancing Notes as described and defined below) was authorised by a resolution of the board of directors of the Issuer dated 7 March, 2012. The Class A Refinancing Notes are constituted and issued pursuant to a Supplemental Trust Deed the "**Supplemental Trust Deed**" and, together with the Original Trust Deed (as amended, restated and/or supplemented from time to time, the "**Trust Deed**"), dated on or around 20 March, 2012 between (amongst others) the Issuer and the Trustee.

These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the Global Notes and the Definitive Registered Notes). The following agreements were entered into in relation to the Notes: (a) an Agency Agreement, dated 31 July 2007 (the "**Agency Agreement**") among the Issuer, Elavon Financial Services Limited (formerly Bank of America N.A. (London Branch), formerly ABN AMRO Bank N.V. (London Branch)) as principal paying agent (the "**Principal Paying Agent**"), as transfer agent (the "**Transfer Agent**"), as account bank (the "**Account Bank**"), as calculation agent (the "**Calculation Agent**"), as custodian (the "**Custodian**") (which terms shall include any successor or substitute Principal Paying Agent, Transfer Agent, Account Bank, Calculation Agent or Custodian, respectively, appointed pursuant to the terms of the Agency Agreement), and as collateral administrator (the "**Collateral Administrator**") (which term shall include any successor

Collateral Administrator appointed pursuant to the terms of the Collateral Administration Agreement), RBS Global Banking (Luxembourg) S.A. as registrar (the "**Registrar**" which term shall include any successor or substitute Registrar appointed pursuant to the terms of the Agency Agreement and, together with the Transfer Agent, the "**Transfer Agents**"), Deutsche International Corporate Services (Ireland) Limited as the paying agent in Ireland (the "**Irish Paying Agent**" which term shall include any successor or substitute paying agent in Ireland appointed pursuant to the terms of the Agency Agreement, together with the Principal Paying Agent, the "**Paying Agents**"), Elavon Financial Services Limited (formerly Bank of America N.A. (London Branch), formerly ABN AMRO Bank N.V. (London Branch)) as exchange agent (the "**Exchange Agent**" which term shall include any successor or substitute exchange agent appointed pursuant to the terms of the Agency Agreement), the Trustee and FIG LLC (the "**Portfolio Manager**" which term shall include any successor Portfolio Manager appointed pursuant to the terms of the Portfolio Management Agreement); (b) a Portfolio Management Agreement dated 31 July 2007 (the "**Portfolio Management Agreement**") among the Portfolio Manager, the Issuer, the Trustee, the Collateral Administrator and the Custodian; (c) a Collateral Administration Agreement dated 31 July 2007 (the "**Collateral Administration Agreement**") among the Collateral Administrator, the Issuer, the Trustee, the Custodian and the Portfolio Manager; (d) a perfect asset swap arrangement between the Issuer and Citibank N.A., London Branch dated 31 July 2007 (the "**Perfect Asset Swap Arrangement**"); and (e) a revolving credit facility agreement dated 31 July, 2007 (the "**Revolving Credit Facility Agreement**") between the Issuer, the Trustee, Elavon Financial Services Limited (formerly Bank of America N.A. (London Branch), formerly ABN AMRO Bank N.V. (London Branch)) (the "**Revolving Credit Facility Agent**"), Citibank N.A., London Branch (the "**Revolving Credit Facility Provider**") and the Collateral Administrator (which term shall include any person to whom some or all of the rights and obligations under the Revolving Credit Facility Agreement are transferred or novated), the Portfolio Manager and the Collateral Administrator. Copies of the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, the Collateral Administration Agreement and the Revolving Credit Facility Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom) and at the specified offices of the Transfer Agents for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement, the Revolving Credit Facility and the Portfolio Management Agreement applicable to them.

1. Definitions

"**Accounts**" means the Principal Account, the Interest Account, the Expense Reserve Account, the Additional Collateral Account, the Payment Account, the Hedge Account, the Asset Swap Accounts, the Unfunded Revolver Reserve Accounts, the Counterparty Downgrade Collateral Account, the Downgrade Lender Account, the Semi-Annual Interest Smoothing Account, the Annual Interest Smoothing Account, the Closing Date Expenses Account and the Synthetic Collateral Cash Account.

"**Additional Collateral Account**" means the interest bearing account of the Issuer with the Account Bank, the Balance of which may be applied for the purposes of, amongst other things, the acquisition of Additional Collateral Debt Obligations during the Investment Period in accordance with the Portfolio Management Agreement.

"**Additional Collateral Debt Obligation**" means a Collateral Debt Obligation purchased by or on behalf of the Issuer (out of the Balance standing to the credit of the Additional Collateral Account from time to time) during the Investment Period in accordance with the provisions of the Portfolio Management Agreement, which is not purchased in substitution for a Collateral Debt Obligation previously forming part of the Collateral.

"**Administrative Expenses**" means amounts due and payable (which shall be applied in the following order):

- (a) to the Agents (other than the Custodian) pursuant to the Agency Agreement and the Revolving Credit Facility Agreement but excluding any amounts payable in respect of the Notes;

- (b) to the Custodian pursuant to the Agency Agreement;
- (c) to the Collateral Administrator pursuant to the Collateral Administration Agreement;
- (d) to the independent accountants and counsel of the Issuer and any agents of the Issuer not expressly provided for in the definition of Agents;
- (e) to any Rating Agency in connection with the Senior Debt and other Rated Notes or which may from time to time be requested to assign a confidential credit estimate to any of the Collateral Debt Obligations, for its fees and expenses and for the avoidance of doubt this shall include amounts payable by the Portfolio Manager to any Rating Agency where the Rating Agency has contracted to supply such services to the Portfolio Manager in connection with the Senior Debt or other Rated Notes or the Collateral Debt Obligations;
- (f) to the Corporate Administrator pursuant to the Corporate Services Agreement;
- (g) to the Portfolio Manager pursuant to the Portfolio Management Agreement, but excluding any Portfolio Management Fees;
- (h) to any Person in respect of any governmental fee or charge (excluding, for the avoidance of doubt, any taxes payable to any tax authority);
- (i) in respect of any third party portfolio management software;
- (j) to any other Person in respect of any other fees, expenses and indemnities permitted under these Conditions and the documents delivered pursuant to or in connection with the Notes or the sale thereof;
- (k) any Person in respect of the fees, costs and expenses incurred by the Issuer in connection with any issue of Class A Refinancing Notes;
- (l) any Revolving Facility Additional Amounts and any Mandatory Costs (as defined in the Revolving Credit Facility Agreement); and
- (m) any administrative fees, costs, expenses or indemnities incurred in connection with the Revolving Credit Facility Agreement (except to the extent included in (a), (j) or (l) above).

in each case, including any value added tax due and payable in respect thereof, provided, however, that "Administrative Expenses" shall not include amounts payable to the Noteholders under the Notes, any Trustee Fees and Expenses, Advancing Agent Fee or amounts due or accrued with respect to the actions taken on or in connection with the Closing Date which are payable out of the proceeds of the issue of the Notes.

"Advancing Agent Fee" means the fee payable quarterly in arrear on each Payment Date to the Advancing Agent or the Back-up Advancing Agent in accordance with the Priorities of Payment, equal to 0.007 per cent. per annum on the Target Par Amount on such Payment Date prior to giving effect to distributions with respect to such Payment Date.

"AFC Collateral Debt Obligation" means any Collateral Debt Obligation whose interest payments may become subject to an available funds cap.

"Affiliate" or **"Affiliated"** means with respect to a Person, (a) any other Person who, directly or indirectly, is in control or management of, or controlled or managed by, or is under common control with, such Person or (b) any other Person who is a director, officer or employee (i) of such Person, (ii) of any subsidiary or parent company of such Person or (iii) of any Person described in clause (a) above. For the purposes of this definition, control of a Person shall mean the power, direct or indirect, (A) to vote more than 50 per cent. of the securities having ordinary voting power

for the election of directors of such Person, or (B) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agent" means each of the Transfer Agents, the Registrar, the Paying Agents, the Account Bank, the Calculation Agent, the Exchange Agent, the Revolving Credit Facility Agent and the Custodian and each of their permitted successors or assigns.

"Aggregate Collateral Balance" means, on any given date, (a) the Aggregate Principal Balance of the Collateral Debt Obligations and (b) the Balances standing to the credit of the Principal Account and the Additional Collateral Account.

"Aggregate Principal Balance" means, on any given date, the aggregate of the Principal Balances of the Collateral Debt Obligations.

"Amortisation Period" means the period from, but excluding, the Payment Date in June 2013 to, and including, the Maturity Date.

"Annual Interest Smoothing Account" means the account of the Issuer with the Account Bank to which Annual Interest Smoothing Amounts are to be credited.

"Annual Interest Smoothing Amounts" has the meaning given thereto in Condition 3(i)(I) (*Annual Interest Smoothing Account*).

"Asset Swap Accounts" means the accounts of the Issuer with the Account Bank, which shall be Linked Accounts, into which amounts received in respect of Non-Euro Obligations shall be paid and out of which amounts payable to an Asset Swap Counterparty pursuant to any Asset Swap Transaction shall be paid.

"Asset Swap Agreement" has the meaning given thereto in the definition of Asset Swap Transaction.

"Asset Swap Counterparty" means each financial institution with which the Issuer enters into an Asset Swap Transaction or any permitted assignee or successor thereto under the terms of the related Asset Swap Transaction and in each case which satisfies the applicable Required Ratings (taking into account any guarantor thereof), and provided always that such financial institution has the regulatory capacity as a matter of Irish law to enter into derivatives transactions with Irish residents.

"Asset Swap Counterparty Principal Exchange Amounts" means each initial, interim and final principal or exchange amount scheduled to be paid by the Issuer to an Asset Swap Counterparty pursuant to the terms of an Asset Swap Transaction, excluding any Scheduled Asset Swap Issuer Payments.

"Asset Swap Issuer Principal Exchange Amounts" means each initial, interim and final principal or exchange amount scheduled to be paid by an Asset Swap Counterparty to the Issuer pursuant to the terms of an Asset Swap Transaction, including, for the avoidance of doubt, in relation to the sale of any Asset Swap Obligations excluding Defaulted Obligations, any final exchange amount relating to the sale of such Asset Swap Obligation (which shall be equal to the Euro equivalent (using the Asset Swap Transaction Exchange Rate) of the non-Euro sale proceeds plus or minus any termination payment) but excluding any Scheduled Asset Swap Counterparty Payments.

"Asset Swap Obligation" means a Non-Euro Obligation and the related Asset Swap Transaction.

"Asset Swap Replacement Payment" means any amount payable to an Asset Swap Counterparty by the Issuer upon entry into a Replacement Asset Swap Agreement which is replacing an Asset Swap Agreement which has been terminated.

"Asset Swap Replacement Receipt" means any amount payable to the Issuer by an Asset Swap Counterparty upon entry into a Replacement Asset Swap Agreement which is replacing an Asset Swap Agreement which has been terminated.

"Asset Swap Termination Payment" means any amount payable by the Issuer to an Asset Swap Counterparty upon termination of an Asset Swap Agreement excluding Asset Swap Counterparty Principal Exchange Amounts.

"Asset Swap Termination Receipt" means any amount payable by an Asset Swap Counterparty to the Issuer upon termination of an Asset Swap Agreement excluding Asset Swap Issuer Principal Exchange Amounts.

"Asset Swap Transaction" means each asset swap transaction entered into under a 1992 ISDA Master Agreement (Multicurrency Cross Border Currency) or 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) (together with the Schedule and confirmation relating thereto, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof, and each as amended or supplemented from time to time, an **"Asset Swap Agreement"**) which is entered into by the Issuer with an Asset Swap Counterparty in connection with Non-Euro Obligations under which the Issuer swaps cash flows receivable on such Non-Euro Obligations for Euro denominated cash flows from such Asset Swap Counterparty.

"Asset Swap Transaction Exchange Rate" means, in relation to each Asset Swap Transaction, the rate of exchange set out in the relevant Asset Swap Agreement or, in the event that an Asset Swap Transaction has terminated and a Replacement Asset Swap Transaction has not been entered into, the exchange rate quoted at 11:00 a.m. London time on the relevant date of quotation (or such other time or times as may be required or convenient for giving effect to the transactions contemplated by the Trust Deed or the other Transaction Documents) by an international financial institution selected by the Portfolio Manager for the exchange of one Available Currency for another.

"Auction" means an auction conducted by the Portfolio Manager of the Collateral Debt Obligations in accordance with the procedure set out at Condition 7(k) (*Auction*).

"Auction Payment Date" means each Payment Date, commencing with the Payment Date in June 2017.

"Auction Redemption Price" means, with respect to:

- (a) any Class of Notes (other than the Subordinated Notes), the aggregate Principal Amount Outstanding of such Class of Notes, plus accrued interest thereon to, but excluding, the Auction Payment Date;
- (b) the Revolving Credit Facility, the aggregate outstanding Drawn Amount of, together with accrued Commitment Fee, any Revolving Facility Additional Amounts, Break Costs (if applicable) and unpaid interest accrued thereon to, but excluding, the Auction Payment Date; and
- (c) any Subordinated Notes, the aggregate proceeds of liquidation of the Collateral or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payment.

"Authorised Denomination" means in the case of both Regulation S Notes and Rule 144A Notes of each Class, denominations of €1,000, subject to the Minimum Denomination.

"Authorised Officer" means with respect to the Issuer, any Director or duly authorised attorney of the Issuer or agent who is allowed to act for the Issuer in matters relating to, and binding upon, the Issuer.

"Available Currencies" means, collectively, Euro, Sterling, NOK, SEK, DKK, USD and CHF and each an "Available Currency".

"Available RCF Balance" means in respect of the Revolving Credit Facility an amount equal to the greater of (a) zero and (b) the difference between (i) Total Commitments minus (ii) Total Outstandings plus the Undrawn and Committed Amount.

"B Note" means an interest in a commercial real estate loan which is, by virtue of an Intercreditor Agreement made between the parties to such loan, generally subordinate in right of payment to the rights or payment therein of one or more third party lenders in respect of such loan.

"Back-up Advancing Agent" means Elavon Financial Services Limited, solely in its capacity as back-up advancing agent, or any successor back-up advancing agent having the applicable Required Ratings.

"Balance" means on any date, with respect to cash and Eligible Investments, the aggregate:

- (a) current balance of cash, demand deposits, time deposits, federal funds and commercial bank money market accounts;
- (b) outstanding principal amount of interest-bearing corporate and government securities, money market accounts and repurchase obligations; and
- (c) face amount of non-interest-bearing government securities, commercial paper and certificates of deposit,

provided that in the event that a default as to payment of principal and/or interest has occurred and is continuing in respect of any Eligible Investment or any obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment, such Eligible Investment shall have the value of its Calculation Amount for the purpose of calculating the Balance standing to the credit of any account, and *provided further that* any amounts denominated in a currency other than Euro will be converted for the purposes of this definition into Euro at the relevant Asset Swap Transaction Exchange Rate.

"Bank Loan" means a Collateral Debt Obligation that is a senior secured obligation as determined by the Portfolio Manager in its reasonable business judgment (which judgment shall not be called into question as a result of subsequent events) or a Participation therein, provided that:

- (a) it is secured on (i) the tangible fixed assets of the obligor or guarantor thereof if and to the extent a pledge of fixed assets is permissible under applicable law, and otherwise (ii) 100 per cent. of the equity interests in the stock of an entity owning such fixed assets;
- (b) no other obligation of the obligor has any higher priority security interest in such shares and/or assets referred to in (a) above; and
- (c) where either (i) such assets are real estate or infrastructural or (ii) a member of the obligor's group is a company, providing water and/or sewerage services under a license granted under the Water Industry Act of 1991 as amended; or

if it is a Synthetic Security or Repackaged Security, the Reference Obligation applicable to which is an obligation of the type described in (a) and (b) above.

"Below BBB- Haircut" means (a) if the Weighted Average Fitch Rating Factor of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating lower than "BBB-" is less than 22.84, 10 per cent., (b) if the Weighted Average Fitch Rating Factor of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating lower than "BBB-" is equal to or greater than 22.84 but less than 43.36, 20 per cent., or (c) if the Weighted Average Fitch Rating Factor of the Collateral Debt

Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating lower than "BBB-" is equal to or greater than 43.36, 50 per cent.

"Below BBB- Percentage" means the fraction, represented as a percentage, the numerator of which is (a) the Aggregate Principal Balance of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating or S&P Rating lower than "BBB-" minus (b) 25 per cent. of the Aggregate Collateral Balance, and the denominator of which is the Aggregate Principal Balance of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating or S&P Rating lower than "BBB-".

"Below BB- Percentage" means the fraction, represented as a percentage, the numerator of which is (a) the Aggregate Principal Balance of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating or S&P Rating lower than "BB-" minus (b) 10 per cent. of the Aggregate Collateral Balance, and the denominator of which is the Aggregate Principal Balance of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating or S&P Rating lower than "BB-".

"Break Costs" has the meaning ascribed thereto in the Revolving Credit Facility Agreement.

"Business Day" means (save to the extent otherwise defined) a day:

- (a) on which the TARGET System is open (each, a **"TARGET Settlement Day"**); and
- (b) on which commercial banks and foreign exchange markets settle payments in London, Dublin, New York and Luxembourg (other than a Saturday or a Sunday); and
- (c) for the purposes of the definition of Presentation Date, in relation to any place, on which commercial banks and foreign exchange markets settle payments in that place.

"C Note" means an interest in a commercial real estate loan which by virtue of an Intercreditor Agreement made between the parties to such loan is generally subordinate in right of payment to the rights or payment therein of one or more third party lenders and one or more B Notes in respect of such loan.

"Calculation Amount" means, with respect to any Collateral Debt Obligation or Eligible Investment, at any time, the lower of (a) the Market Value of such Collateral Debt Obligation or Eligible Investment, (b) the Fitch Recovery Rate in respect of such Collateral Debt Obligation or Eligible Investment and (c) 70 per cent. multiplied by the outstanding principal amount (excluding any interest accrued but not paid thereon which has been capitalised) of such Collateral Debt Obligation or Eligible Investment.

"Cash" means the lawful currency of the member states of the European Union that adopt the single euro currency in accordance with the treaty establishing the European Community.

"Class A Senior Noteholders" means the holders of the Class A Senior Notes (including the holders of the Class A Refinancing Notes) from time to time.

"Class A Refinancing Notes" means any Class A Senior Notes issued by the Issuer pursuant to Condition 19 (*Further Issues*) after the Closing Date.

"Class B Senior Noteholders" means the holders of the Class B Senior Notes from time to time.

"Class C-1 Deferrable Interest Noteholders" means the holders of the Class C-1 Deferrable Interest Notes from time to time.

"Class C-2 Deferrable Interest Noteholders" means the holders of the Class C-2 Deferrable Interest Notes from time to time.

"Class D-1 Deferrable Interest Noteholders" means the holders of the Class D-1 Deferrable Interest Notes from time to time.

"Class D-2 Deferrable Interest Noteholders" means the holders of the Class D-2 Deferrable Interest Notes from time to time.

"Class D-3 Deferrable Interest Noteholders" means the holders of the Class D-3 Deferrable Interest Notes from time to time.

"Class E-1 Deferrable Interest Noteholders" means the holders of the Class E-1 Deferrable Interest Notes from time to time.

"Class E-2 Deferrable Interest Noteholders" means the holders of the Class E-2 Deferrable Interest Notes from time to time.

"Class X Interest Amount" means, with respect to each Payment Date to and including the Payment Date falling in September 2013, unless redeemed in full prior to such Payment Date, an amount of interest in respect of the Class X Senior Notes for the related Interest Accrual Period calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with Condition 6(k).

"Class X Principal Amount" means, with respect to each Payment Date, an amount of principal payments in respect of the Class X Senior Notes which shall be specified in the schedule set forth in Condition 6(k).

"Class X Payment Amount" means, the aggregate of the Class X Interest Amount and the Class X Principal Amount on each Payment Date

"Class of Notes" means each of the classes of Notes being (a) the Class X Senior Notes, (b) the Class A Senior Notes, (c) the Class B Senior Notes, (d) the Class C-1 Deferrable Interest Notes, (e) the Class C-2 Deferrable Interest Notes, (f) the Class D-1 Deferrable Interest Notes, (g) the Class D-2 Deferrable Interest Notes, (h) the Class D-3 Deferrable Interest Notes, (i) the Class E-1 Deferrable Interest Notes, (j) the Class E-2 Deferrable Interest Notes and (k) the Subordinated Notes, and **"Class"** and **"Class of Noteholders"** shall be construed accordingly.

"Closing Date" means 31 July 2007.

"Closing Date Expenses Account" means an interest bearing account of the Issuer with the Account Bank into which approximately €10,000,000 will be paid on the Closing Date in respect of unpaid fees and expenses which are payable on or after the Closing Date.

"CMBS Securities" means Collateral Debt Obligations, including any Single Asset Mortgage Security or Single Borrower Mortgage Security, that entitle the holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of the Collateral Debt Obligations) on the cash flow from a pool of Underlying Loans made to finance the acquisition, construction and improvement of Underlying Properties or to refinance existing loans; provided that in no event will CMBS Securities include collateralised debt obligations that depend on the cash flow from a portfolio consisting primarily of B Notes, C Notes, Real Estate Mezzanine Loans or similar interests in commercial mortgage loans.

"Collateral" means the property, assets and benefits described in Condition 4(a) (*Security*) which are charged and assigned to the Trustee from time to time for the benefit of the Secured Parties pursuant to the Trust Deed.

"Collateral Debt Obligation" means any security, including, without limitation, any CMBS Security, Loan, Participation, Operating Company Securitisation Security, Non-Performing Loan Security, Real Estate Entity Debt, Repackaged Security or Synthetic Security, in each case which satisfies the Eligibility Criteria at the time of its acquisition by the Issuer; provided that for the purposes of the grant of the security interest to the Trustee pursuant to the Trust Deed and the Euroclear Pledge Agreement, Collateral Debt Obligations shall include all securities, loans and participations referred to therein regardless of whether such securities, loans or participations satisfied the Eligibility Criteria. For the avoidance of doubt, the failure of any security, loan or participation to satisfy the Eligibility Criteria at any time after the time the Issuer (or the Portfolio Manager on behalf of the Issuer pursuant to the Portfolio Management Agreement) agreed to purchase such security, loan or participation shall not cause such security, loan or participation to cease to be a Collateral Debt Obligation. References to Collateral Debt Obligations shall, where the context permits, include any Swapped Fixed Rate Collateral Debt Obligations, any Swapped Non-Quarterly Pay Collateral Debt Obligations and any Asset Swap Obligations, but shall not include Eligible Investments.

"Collateral Quality Tests" means the Collateral Quality Tests as set out in the Portfolio Management Agreement being the Minimum Weighted Average Spread Test, the Weighted Average Life Test, the Collateral Matrix Test, the Fitch Default VECTOR Model Test and the Maturity Concentration Test, each as defined therein.

"Commitment" has the meaning ascribed thereto in the Revolving Credit Facility Agreement.

"Commitment Amount" means with respect to any Delayed Drawdown Obligation or Revolving Obligation, the maximum aggregate outstanding principal amount (whether at the time funded or unfunded) of advances or other extensions of credit at any one time outstanding that the Issuer could be required to make to the obligor under the Underlying Instruments relating thereto or to a funding bank in connection with any ancillary facilities related thereto.

"Commitment Fee" means the commitment fee on the Revolving Credit Facility, calculated in accordance with the Revolving Credit Facility Agreement.

"Conditions" means these terms and conditions, being the terms and conditions of the Senior Notes, the Mezzanine Notes and the Subordinated Notes.

"Controlling Class" means the Senior Debt (other than the Class X Senior Notes) voting as a single class or, following redemption and payment in full of the Senior Debt (other than the Class X Senior Notes), the Class B Senior Notes or, following redemption and payment in full of the Class B Senior Notes, the Class C-1 Deferrable Interest Notes or, following redemption and payment in full of the Class C-1 Deferrable Interest Notes, the Class C-2 Deferrable Interest Notes or, following redemption and payment in full of the Class C-2 Deferrable Interest Notes, the Class D-1 Deferrable Interest Notes or, following redemption and payment in full of the Class D-1 Deferrable Interest Notes, the Class D-2 Deferrable Interest Notes or, following redemption and payment in full of the Class D-2 Deferrable Interest Notes, the Class D-3 Deferrable Interest Notes or, following redemption and payment in full of the Class D-3 Deferrable Interest Notes, the Class E-1 Deferrable Interest Notes or, following redemption and payment in full of the Class E-1 Deferrable Interest Notes, the Class E-2 Deferrable Interest Notes or, following redemption and payment in full of the Class E-2 Deferrable Interest Notes, the Subordinated Notes.

"Corporate Administrator" means Deutsche International Corporate Services (Ireland) Limited.

"Corporate Mezzanine Loan" means (a) a Collateral Debt Obligation that is a mezzanine loan or other similar obligation which is secured by real estate (but not solely), infrastructure assets, or shares in a company, or parent of a company, providing water and/or sewerage services under a license granted under the Water Industry Act of 1991 as amended and (b) a Synthetic Security or Repackaged Security, the Reference Obligation applicable to which is a mezzanine loan obligation of the type described in (a) above or a Participation therein.

"Counterparty Downgrade Collateral" means any cash and/or securities delivered to the Issuer as collateral for the obligations of a Hedge Counterparty under a Hedge Transaction.

"Counterparty Downgrade Collateral Account" means an interest bearing account of the Issuer with the Custodian into which all Counterparty Downgrade Collateral is to be deposited.

"Coverage Ratio" means each of the Senior Par Value Ratio, the Senior Interest Coverage Ratio, the Second Senior Par Value Ratio, the Second Senior Interest Coverage Ratio, the Mezzanine Par Value Ratio, the Mezzanine Interest Coverage Ratio and the Interest Diversion Ratio.

"Coverage Test" means each of the Senior Par Value Test, the Senior Interest Coverage Test, the Second Senior Par Value Test, the Second Senior Interest Coverage Test, the Mezzanine Par Value Test, the Mezzanine Interest Coverage Test and the Interest Diversion Test.

"Credit Facility Loans" means the aggregate amount outstanding under the credit facility agreements dated 6 December 2006, among the Issuer as borrower, and (i) Citigroup N.A. London Branch and Lehman Commercial Paper Inc., UK Branch as lenders and (ii) Eurocastle as subordinated lender.

"Credit Improved Obligation" means any Collateral Debt Obligation which (i) has been upgraded or put on a watch list for possible upgrade by one or more rating sub-categories by a rating agency following its purchase by the Issuer; or (ii) in the Portfolio Manager's reasonable commercial judgment:

- (a) has significantly improved in credit quality; or
- (b) the collateral securing its payment obligations has shown significant improvement in credit quality or which subordination levels (including any current reserve account balance) have improved following its purchase by the Issuer,

provided that a Synthetic Security shall constitute a Credit Improved Obligation in the event that either such Synthetic Security itself constitutes a Credit Improved Obligation or the Reference Obligation to which such Synthetic Security is linked would constitute a Credit Improved Obligation if it were itself a Collateral Debt Obligation.

"Credit Risk Obligation" means a Collateral Debt Obligation which (i) has been downgraded or put on a watch list for possible downgrade by one or more rating sub-categories by a rating agency following its purchase by the Issuer; or (ii) in the Portfolio Manager's reasonable commercial judgment:

- (a) has a significant risk of declining in credit quality and, with the lapse of time, becoming a Defaulted Obligation;
- (b) the collateral securing its payment obligations has shown significant deterioration in credit quality or which subordination levels (including any current reserve account balance) have deteriorated following its purchase by the Issuer; or
- (c) is subject to or potentially subject to a change in law or tax treatment,

provided that a Synthetic Security will be considered a "Credit Risk Obligation" in the event that either such Synthetic Security itself constitutes a "Credit Risk Obligation" or the Reference Obligation to which such Synthetic Security is linked would constitute a "Credit Risk Obligation" hereunder if it were itself a Collateral Debt Obligation.

"Cure Advance" means an advance by the Advancing Agent in connection with certain cure payments or certain property protection payments, in either case with respect to a Collateral Debt Obligation in accordance with its Underlying Instruments.

"Current Pay Defaulted Obligation" means a Collateral Debt Obligation that has become a Defaulted Obligation for which each of the following statements is true: (i) the issuer of such Collateral Debt Obligation is not in default in payment of any interest and/or principal due on such Collateral Debt Obligation; (ii) the Portfolio Manager, in good faith, subjectively expects the next interest and/or principal payment due in respect of such Collateral Debt Obligation will be paid when due in cash; (iii) the Market Value for such Collateral Debt Obligation is greater than 80 per cent. of the Principal Balance of such Collateral Debt Obligation, (iv) such Collateral Debt Obligation has an S&P Rating of at least "CCC-", (v) such Collateral Debt Obligation has a Fitch Rating of at least "CCC-" and it does not have a distressed recovery "DR" rating appended thereto and (vi) if the issuer of such Collateral Debt Obligation is subject to a bankruptcy proceeding, the applicable bankruptcy court has authorised the payment of interest due on such Collateral Debt Obligation.

"Custody Account" means the custody account or accounts established on the books of the Custodian in accordance with the provisions of the Agency Agreement, which term shall include each cash account relating to each such custody account (if any).

"Deemed Special Redemption Balance" means, (i) with respect to each Class of Notes (other than the Class A Senior Notes and the Class X Senior Notes), an amount equal to (a) the Outstanding balance of such Class *minus* (b) the applicable Deemed Special Redemption Reduction Amount, (ii) with respect to the Class A Senior Notes or the Class X Senior Notes, an amount equal to the Outstanding balance of such Class and (iii) with respect to the Revolving Credit Facility, an amount equal to the Outstanding amount thereof.

"Deemed Special Redemption Reduction Amount" means, with respect to any Class of Notes (other than the Class A Senior Notes and the Class X Senior Notes) an amount (not less than zero and not greater than the Outstanding balance of the applicable Class) equal to (i) the sum of (a) the Outstanding balance of the applicable Class *plus* (b) the aggregate Outstanding balance of all Classes that rank senior to such Class in the Priorities of Payment *plus* (c) the Outstanding amount of the Revolving Credit Facility *minus* (ii) the Par Coverage Numerator.

"Defaulted Hedge Termination Payment" means any amount payable by the Issuer to a Hedge Counterparty upon termination of any Hedge Transaction in respect of which the Hedge Counterparty was the "Defaulting Party" or sole "Affected Party" (as such terms are defined in the applicable Hedge Agreement).

"Defaulted Obligation" means any Collateral Debt Obligation or any other security included in the Collateral:

- (a) to which (i) the issuer thereof has defaulted in the payment of principal or interest (without giving effect to any applicable notice or grace period or waiver, unless the Portfolio Manager certifies to the Collateral Administrator that in the Portfolio Manager's reasonable business judgment such default of up to three (3) Business Days is due to non-credit and non-fraud related reasons) or (ii) pursuant to its Underlying Instruments, there has occurred any default or event of default which entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity (whether by mandatory prepayment, mandatory redemption or otherwise) of all or a portion of the outstanding principal amount of such security, unless (A) in the case of a default or event of default consisting of a failure of the obligor of such security to make required interest payments, such security has resumed current payments of interest in cash (including all accrued interest) (provided that no restructuring has been effected) or (B) in the case of any other default or event of default, such default or event of default is no longer continuing;
- (b) that is a Deferred Interest PIK Obligation;
- (c) that has been assigned a rating of "CC", "D" or "SD" by S&P or a rating of "CC" or lower or appended with a "DR" rating by Fitch;

- (d) that ranks *pari passu* with or subordinate to any other material indebtedness for borrowed money owing by the issuer of such security (for purposes hereof, "Other Indebtedness" *provided, however*, that such Other Indebtedness of such issuer will not include any series of such Other Indebtedness that may be issued or owing by a separate special purpose entity) if such issuer has defaulted in the payment of principal or interest in respect of such Other Indebtedness (without giving effect to any applicable notice or grace period or waiver, unless the Portfolio Manager certifies to the Collateral Administrator that in the Portfolio Manager's reasonable business judgment such default of up to three (3) Business Days is due to non-credit and non-fraud related reasons), unless, in the case of a default or event of default consisting of a failure of the obligor of such security to make required interest payments, such Other Indebtedness has resumed current payments of interest (including all accrued interest) in cash (whether or not any waiver or restructuring has been effected); *provided* that a security will be considered a Defaulted Obligation pursuant to this paragraph (d) only if such default or event of default results in the withdrawal of the then-current rating by any Rating Agency of such Other Indebtedness or the reduction of any such rating to "C" or lower by Fitch or the assignment of a rating of "CC", "D" or "SD" by S&P;
- (e) that is a Synthetic Security with respect to which the Reference Obligation (or the Synthetic Security itself) would constitute a "Defaulted Obligation" under paragraph (a), (b) or (c) of this definition; or
- (f) with respect to which any bankruptcy, insolvency or receivership proceeding has been initiated in respect of the issuer of such Collateral Debt Obligation, or there has been proposed or effected any distressed exchange or other debt restructuring where the issuer of such Collateral Debt Obligation has offered the holders of the class of securities held by the Issuer a new security or package of securities that, in the reasonable business judgment of the Portfolio Manager either (i) amounts to a diminished financial obligation or (ii) has the purpose of helping the issuer to avoid default.

"Deferred Interest PIK Obligation" means a PIK Obligation which (a) with respect to a PIK Obligation with a Fitch Rating of "BBB-" or above or an S&P Rating of "BBB-" or above, interest thereon has been deferred and capitalised for the lesser of one year or two payment dates and (b) with respect to a PIK Obligation with a Fitch Rating of less than "BBB-" or an S&P Rating of less than "BBB-", interest thereon has been deferred and capitalised for the lesser of six (6) months or one payment date, in each case until payment of interest on such PIK Obligation has resumed and all capitalised and deferred interest has been paid in accordance with the terms of the Underlying Instruments.

"Definitive Registered Note" means a note representing one or more Notes in definitive, fully registered, form.

"Delayed Drawdown Obligation" means a Collateral Debt Obligation that: (a) requires the Issuer to make one or more future advances relating thereto which are drawable only in the currency in which such Collateral Debt Obligation is denominated; (b) the Underlying Instruments of which contain an agreement by the obligor to not offset its obligation to make payments against a failure to make a future advance; (c) specifies a maximum amount that can be borrowed; and (d) does not permit the re-borrowing of any amount previously repaid; but provided that any such Collateral Debt Obligation will cease to be a Delayed Drawdown Obligation when all commitments to make further advances expire or are terminated or reduced to zero.

"Determination Date" means the last Business Day of each Due Period, or in the event of any redemption of the Revolving Credit Facility or the Notes following the occurrence of an Event of Default, the applicable Redemption Date.

"Directors" means Conor Blake and Jennifer Coyne, or such other person(s) who may be appointed as Director of the Issuer from time to time.

"Discount Obligation" means any Collateral Debt Obligation acquired by, or on behalf of the Issuer, for a purchase price (excluding accrued interest thereon) of 90 per cent. or less of the principal amount of such Collateral Debt Obligation; provided that such Collateral Debt Obligation shall cease to be a Discount Obligation where the Market Value thereof for any period of 45 consecutive Business Days exceeds 90 per cent. of the principal amount of such Collateral Debt Obligation (as certified by the Portfolio Manager to the Issuer, the Trustee and Collateral Administrator).

"Distribution" means any payment of principal or interest or any dividend or premium or other amount or asset paid or delivered on or in respect of (without duplication) any Collateral Debt Obligation, any Eligible Investment or any Synthetic Collateral or under or in respect of any Asset Swap Transaction.

"Downgrade Lender Account" means each account of the Issuer with the Custodian into which certain amounts will be payable pursuant to the Revolving Credit Facility Agreement.

"Drawn Amount" means, at any time, in respect of the Revolving Credit Facility, the aggregate of Drawings in respect of such Revolving Credit Facility which have not been repaid, prepaid or redeemed at such time.

"Drawing" means the principal amount of each drawing made by the Revolving Credit Facility Provider pursuant to the Revolving Credit Facility Agreement to the Issuer or (as the context requires) the principal amount thereof for the time being outstanding.

"Drawing Notice" has the meaning ascribed thereto in the Revolving Credit Facility Agreement.

"DTC" means the Depository Trust Company.

"Due Date" means each date on which a Distribution is due and payable on, or in respect of, a Collateral Debt Obligation.

"Due Period" means, with respect to any Payment Date, the period commencing on (and including) the day immediately following the seventh Business Day prior to the preceding Payment Date (or on the Closing Date, in the case of the Due Period relating to the first Payment Date) and ending on (and including) the seventh Business Day prior to such Payment Date (or, in the case of the Due Period applicable to the Payment Date which is the Maturity Date of any Note, ending on (but excluding) the day preceding such Payment Date).

"Eastern European Countries" means Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia in each case for the purposes of determining the Eligibility Criteria for so long as such country has a foreign currency long term debt rating of at least "A-" by Fitch and S&P (and such country or countries as may be agreed to from time to time by the Issuer and the Portfolio Manager, and in respect of which the Issuer has received Rating Agency Affirmation from Fitch and S&P).

"Effective Date" means the date that is the Payment Date occurring in September 2008, subject to specification of an earlier date by the Portfolio Manager, in accordance with the terms of the Portfolio Management Agreement.

"Effective Date Ratings Downgrade" means the reduction or withdrawal of the ratings assigned to any of the Revolving Credit Facility or the Subscribed Notes on the Closing Date upon request for Rating Agency Affirmation by the Portfolio Manager within 10 Business Days after receipt of the Independent Accountants' Report issued within 20 days of the Effective Date.

"Eligible Bidders" means institutions, which may include affiliates of the Portfolio Manager or holders of Notes, whose short-term unsecured debt obligations have a rating of "F1+" by Fitch and "A-1+" by S&P.

"Eligibility Criteria" means the Eligibility Criteria specified in the Portfolio Management Agreement and described herein under "Description of the Portfolio—Eligibility Criteria", which each Collateral Debt Obligation is required to satisfy on acquisition by the Issuer thereof.

"Eligible Investments" means any investment (denominated in Euro) that, in the event that it is an obligation of a company incorporated in, or a sovereign issuer of the United States, is Registered at the time it is acquired, is not a security that has an "r" or "t" subscript from S&P and is one or more of the following obligations or securities, including, without limitation, any Eligible Investments for which the Custodian, the Trustee or the Portfolio Manager or an Affiliate of any of them provides services:

- (a) Cash, provided that it is held with the Account Bank;
- (b) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, a Qualifying Country which, notwithstanding the definition of "Qualifying Country", has a foreign currency sovereign rating of at least "AAA" (long-term) or F1+ (short-term) by Fitch and "AA" by S&P (an *"Eligible Qualifying Country"*) or any agency or instrumentality of an Eligible Qualifying Country, the obligations of which are fully and expressly guaranteed by an Eligible Qualifying Country;
- (c) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution or trust company (including the Account Bank) incorporated under the laws of an Eligible Qualifying Country which is subject to supervision and examination by governmental banking authorities so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have, for so long as there are Rated Notes which are Outstanding:
 - (i) a long-term debt credit rating of "AAA" from Fitch and "AAA" from S&P (the **"EI Minimum Long-Term Rating"**); or
 - (ii) a short-term debt rating of "F1+" from Fitch and "A-1+" from S&P (the **"EI Minimum Short-Term Rating"**), provided that in the case of commercial paper and short-term debt obligations with a maturity of longer than 91 days, the issuer thereof must also have at the time of such investment a long-term credit rating of not less than the EI Minimum Long-Term Rating;
 - (iii) a market value rating of "V1+" from Fitch and a market value rating of "AAAm" from S&P; or
 - (iv) in the case of demand deposits only, a short-term debt rating of "F1+" from Fitch and "A-1" from S&P, *provided that* the total amount of investments which qualify as Eligible Investments pursuant to this clause (iv) shall not exceed 20 per cent. of the Aggregate Collateral Balance.
- (d) subject to Rating Agency Affirmation, unleveraged repurchase obligations with respect to:
 - (i) any obligation described in paragraph (a) above; or
 - (ii) any other security issued or guaranteed by an agency or instrumentality of an Eligible Qualifying Country, in either case entered into with a depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) whose long-term debt obligations are rated not less than the EI Minimum Long-Term Rating or whose short-term debt obligations are rated not less than the EI Minimum Short-

Term Rating at the time of such investment; provided, that if such security has a maturity of longer than 91 days, the issuer thereof must also have at the time of such investment a long-term credit rating of not less than the EI Minimum Long-Term Rating;

- (e) securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of an Eligible Qualifying Country that have a credit rating of not less than the EI Minimum Long-Term Rating at the time of such investment or contractual commitment providing for such investment;
- (f) commercial paper or other short-term obligations having at the time of such investment a credit rating of not less than the EI Minimum Short-Term Rating and that either are bearing interest or are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance; provided, that if such security has a maturity of longer than 91 days, the issuer thereof must also have, at the time of such investment, a long-term credit rating of not less than the EI Minimum Long-Term Rating;
- (g) off-shore funds investing in the money markets rated, at all times, not less than the EI Minimum Long-Term Rating and formed, and having their principal place of business outside the United States; and
- (h) any other investment similar to those described in paragraphs (b) to (g) (inclusive) above:
 - (i) in respect of which Rating Agency Affirmation has been received; and
 - (ii) which has, in the case of an investment with a maturity of longer than 91 days, a long-term credit rating not less than the EI Minimum Long-Term Rating or, in the case of investment with a maturity of 91 days or less, a short-term credit rating of not less than the EI Minimum Short-Term Rating,

and, for the purposes of sub-paragraphs (b) to (h) (inclusive) above, with a Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next Payment Date and which constitute "qualifying assets" for the purposes of Section 110 of the Taxes Consolidation Act of 1997; provided however, that Eligible Investments shall not include any mortgage backed security, Interest Only Security, security whose payments are subject to withholding or deduction on account of tax, security the acquisition of which (including the manner of acquisition of which), ownership, enforcement or disposition of which will subject the Issuer to any tax which is imposed on net income in any jurisdiction outside Ireland, security purchased at a price in excess of 100 per cent. of par or security whose repayment is subject to substantial non-credit related risk, as determined by the Portfolio Manager in its discretion.

"Euroclear" means Euroclear Bank S.A./N.V.

"Euroclear Pledge Agreement" means the Belgian law pledge agreement dated 31 July 2007 between the Issuer and the Trustee and acknowledged by the Custodian.

"Euro-zone" has the meaning given thereto in Condition 6(e) (*Interest on the Senior Notes and Mezzanine Notes*).

"Event of Default" means each of the events defined as such in Condition 10(a) (*Events of Default*).

"Expense Reserve Account" means the interest bearing account of the Issuer with the Account Bank into which an initial deposit of €50,000 shall be made on the Closing Date and into which Interest Proceeds and/or Principal Proceeds shall be deposited on each Payment Date (other than upon and after the Payment Date on which the Subordinated Notes are to be redeemed in full) in the amount required pursuant to paragraph (D) of Condition 3(c)(i) (*Application of Interest Proceeds*) and paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and out of

which Trustee Fees and Expenses and Administrative Expenses which become payable during any Due Period shall be paid.

"Extraordinary Resolution" means a resolution passed (at a meeting of the Controlling Class or any other relevant Class, as the case may be, of Noteholders duly convened and held in accordance with the Trust Deed or by a resolution in writing) by holders representing at least 75 per cent. in Principal Amount Outstanding (or such lesser amount as may be required with respect to any particular action or consent) of the Notes of the Controlling Class or such other relevant Class, as the case may be.

"Fitch" means Fitch Ratings Ltd. and their subsidiaries including Derivative Fitch, Inc. and Derivative Fitch Ltd. and includes any successor or successors thereto.

"Fitch Recovery Rate" means, in respect of each Collateral Debt Obligation, the recovery rate determined in accordance with the Portfolio Management Agreement or as so advised by Fitch.

"Fixed Rate Asset Swap Obligation" means an Asset Swap Obligation, the current period interest or coupon payable in respect of which is calculated by reference to a fixed rate.

"Fixed Rate Collateral Debt Obligations" means any Collateral Debt Obligation other than a Floating Rate Collateral Debt Obligation.

"Floating Rate Collateral Debt Obligations" means any Collateral Debt Obligation which bears interest pursuant to an index including any Hedge Obligation for which the Issuer has received a Rating Agency Affirmation with respect to treating such Hedge Obligation as a Floating Rate Collateral Debt Obligation.

"Floating Rate of Interest" has the meaning given thereto in Condition 6(e)(i) (*Rate of Interest applicable to the Senior Notes and Mezzanine Notes*).

"Global Note" means any global note representing any Class of Notes. For the avoidance of doubt, a Class of Notes may be represented by one or more Global Notes.

"Haircut Obligation" means any Collateral Debt Obligation which is not a Defaulted Obligation and which has (a) an S&P rating of CCC+ or below or (b) a Fitch Rating of CCC+ or below.

"Hedge Account" means the account held by the Issuer with the Account Bank and into which shall be deposited amounts received pursuant to any Hedge Transaction.

"Hedge Agreement" means, in respect of a Hedge Transaction, each ISDA master agreement and the schedule relating thereto entered into between the Issuer and a Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder, and including any Replacement Hedge Agreement entered into in replacement thereof.

"Hedge Counterparty" means any financial institution with whom a Hedge Agreement is entered into by the Issuer in respect of which (taking into account any guarantor thereof) Rating Agency Affirmation is obtained or any permitted assignee or successor under any Hedge Agreement in respect of which Rating Agency Affirmation is obtained and which has the regulatory capacity to enter into derivatives transactions with Irish residents.

"Hedge Obligation" means a Swapped Fixed Rate Collateral Debt Obligation or a Swapped Non-Quarterly Pay Collateral Debt Obligation together with its related Hedge Transaction.

"Hedge Replacement Receipt" means any amount payable to the Issuer by a Hedge Counterparty upon entry into a Replacement Hedge Agreement which is replacing a Hedge Agreement which was terminated.

"Hedge Termination Payment" means the termination payment payable pursuant to the relevant ISDA master agreement in respect of the relevant Hedge Agreement.

"Hedge Termination Receipt" means any amount payable by the Hedge Counterparty to the Issuer upon termination of a Hedge Agreement in whole.

"Hedge Transaction" means any Asset Swap Transaction or Interest Rate Hedge Transaction.

"I/D Test Cure Amount" means an amount that shall be calculated as:

(a) the product of:

(1) 2 and

(2) the aggregate of:

(A) the product of the Interest Diversion Test Trigger Level and the aggregate Principal Amount Outstanding of Senior Notes and Mezzanine Notes less

(B) the Par Coverage Numerator divided by

(b) the sum of:

(1) 1 and

(2) the Interest Diversion Test Trigger Level.

"Increased Costs" has the meaning ascribed thereto in the Revolving Credit Facility Agreement.

"Independent Accountants Report" means the report to be issued by the independent accountants appointed by the Portfolio Manager on behalf of the Issuer in accordance with the Portfolio Management Agreement within 20 days of the Effective Date confirming details of the aggregate principal amount of the Collateral Debt Obligations purchased or committed to be purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests by reference to such Collateral Debt Obligations.

"Initial Collateral Debt Obligations" means the Collateral Debt Obligations acquired by the Issuer prior to the Closing Date, or proposed to be acquired by the Issuer on the Closing Date, and the Collateral Debt Obligations for which the Issuer has entered into a commitment to purchase on or before the Closing Date.

"Intercreditor Agreement" means any agreement or arrangement between lenders or holders of interests in Loans or Securities (including B Notes, C Notes and Mezzanine Loans) in which, *inter alia*, the rights of each lender or holder are set out (including priorities or payment).

"Interest Account" means the account of the Issuer with the Account Bank to which Interest Proceeds are to be credited.

"Interest Accrual Period" means: (a) in respect of a Note, the period from and including the Closing Date to but excluding the first Payment Date and each successive period from and including each Payment Date to but excluding the following Payment Date; and (b) in respect of the Revolving Credit Facility, each successive Revolving Credit Interest Period.

"Interest Advance" means an amount advanced by the Advancing Agent or Back-up Advancing Agent in respect of Interest Shortfalls.

"Interest Amount" means, on each Payment Date: (a) in the case of the Revolving Credit Facility, the amount of interest payable in respect of drawings thereunder as calculated by the Revolving

Credit Facility Agent on the relevant Determination Date as, (i) the aggregate of the interest on the Drawn Amount during such Revolving Credit Interest Period; plus (ii) the amount of the Commitment Fee accrued during the related Revolving Credit Interest Period, as calculated in accordance with the Revolving Credit Facility Agreement; and (b) in respect of a Senior Note or Mezzanine Note, the amount of interest payable in respect of the Principal Amount Outstanding of the Senior Notes or the Mezzanine Notes of any Class indicated for any Interest Accrual Period, being the relevant amount calculated by the Calculation Agent as soon as practicable after 11.00 am (Brussels time) on the relevant Interest Determination Date in accordance with Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*).

"Interest Coverage Numerator" means, on any particular Measurement Date, the sum in Euro as at such date of the following:

- (a) the Balance standing to the credit of the Expense Reserve Account and the Interest Account;
- (b) plus the scheduled interest payments (and any commitment fees due but not yet received in respect of Delayed Drawdown Obligations) due but not yet paid (in each case regardless of whether the applicable Due Date has yet occurred) in the Due Period in which such Measurement Date occurs on:
 - (i) the Collateral Debt Obligations (other than Asset Swap Obligations) and Eligible Investments excluding (x) interest on any Collateral Debt Obligation to the extent that such Collateral Debt Obligation does not provide for the scheduled payment of interest in cash by its terms and (y) any amounts expected to be withheld at source or otherwise deducted in respect of taxes but including any amounts expected to be reimbursed in respect of amounts withheld at source or otherwise deducted in respect of taxes, but, in each case, excluding such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made which such actual knowledge the Issuer or, as the case may be, Portfolio Manager has communicated to the Collateral Administrator; and
 - (ii) the Principal Account, the Interest Account, the Expense Reserve Account, the Additional Collateral Account, the Smoothing Accounts, Synthetic Collateral Accounts, the Unfunded Revolver Reserve Accounts and the Hedge Account; and
- (c) plus scheduled periodic payments payable to the Issuer under any Hedge Transaction and any Scheduled Asset Swap Counterparty Payments due and payable but not yet paid (regardless of whether the scheduled date for payment has yet occurred) in the Due Period in which such Measurement Date falls, but excluding any such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made which such actual knowledge the Issuer or, as the case may be, Portfolio Manager has communicated to the Collateral Administrator;
- (d) minus the amounts payable pursuant to paragraphs (A) to (G) of Condition 3(c)(i) (*Application of Interest Proceeds*) on the following Payment Date; and
- (e) minus any Semi-Annual Interest Smoothing Amount and any Annual Interest Smoothing Amount in respect of the following Determination Date.

"Interest Determination Date" shall have the meaning given thereto in paragraph (i)(A) of Condition 6(e) (*Rate of Interest applicable to the Senior Notes and Mezzanine Notes*).

"Interest Diversion Coverage Ratio" means, as at any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Par Coverage Numerator by (b) the sum of the aggregate Principal Amount Outstanding of the Senior Debt (other than the Class X Senior Notes),

the Class B Senior Notes, the Class C Deferrable Interest Notes, the Class D Deferrable Interest Notes and the Class E Deferrable Interest Notes.

"Interest Diversion Test" means the test which shall be satisfied if, as at the Effective Date and any subsequent Measurement Date, the Interest Diversion Coverage Ratio is at least 102.0 per cent (the **"Interest Diversion Test Trigger Level"**).

"Interest Only Security" means any Collateral Debt Obligation that by its terms provides for periodic payments of interest on a notional amount and does not provide for the repayment of a principal amount.

"Interest Proceeds" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means the interest proceeds received by or on behalf of the Issuer during the related Due Period, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds (including, for the avoidance of doubt, any Interest Sale Proceeds received by or on behalf of the Issuer during the related Due Period) on such Payment Date pursuant to Condition 3(c)(i) (*Application of Interest Proceeds*), in each case, excluding any accrued interest included in Principal Proceeds pursuant to clause (ii) of the definition of Principal Proceeds; *provided that* Interest Proceeds will in no event include any amounts paid out of collections of interest pursuant to any servicing agreement with respect to a Collateral Debt Obligation.

"Interest Rate Hedge Agreement" means the 1992 ISDA Master Agreement (Multi-Currency Cross Border) or 2002 ISDA Master Agreement (Multi-Currency Cross Border) (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the Schedule relating thereto, entered into between the Issuer and the Interest Rate Hedge Counterparty including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into by the Issuer from time to time in connection with the Issuer's payment obligations under the Notes evidencing the Interest Rate Hedge Transactions, as amended, supplemented or replaced from time to time including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof, provided always that each such Interest Rate Hedge Agreement shall be in the Pre-Approved Form or in a form in respect of the terms of which the Issuer has received Rating Agency Affirmation.

"Interest Rate Hedge Counterparty" means each financial institution with which the Issuer enters into any Interest Rate Hedge Agreement, having the applicable Required Ratings at the time of entering into such Interest Rate Hedge Agreement, or any permitted assignee or successor under any Interest Rate Hedge Agreement.

"Interest Rate Hedge Transaction" means each interest rate swap or protection transaction entered into pursuant to the Portfolio Management Agreement and any Interest Rate Hedge Agreement, including any Replacement Interest Rate Hedge Transaction entered into in replacement therefor.

"Interest Sale Proceeds" means (a) any Sale Proceeds to the extent such represents accrued interest received in respect of the sale of any Collateral Debt Obligation designated as Interest Proceeds by the Portfolio Manager (other than Purchased Accrued Interest) and (b) any recoveries on any Defaulted Obligation which exceed 100 per cent. of the then outstanding principal amount of such Defaulted Obligation.

"Interest Shortfall" means, with respect to each Determination Date, the shortfall by which the sum of the Interest Proceeds and Principal Proceeds collected during the related Due Period that are available to pay interest and other amounts on the Revolving Credit Facility and the Senior Notes are insufficient to make the payments at paragraph (H) of Condition 3(c)(i) (*Application of Interest Proceeds*) on the following Payment Date.

"Investment Company Act" means the United States Investment Company Act of 1940, as amended.

"Investment Period" means the period commencing on the Closing Date and ending on the Effective Date.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"Issuer Irish Account" means an account in the name of the Issuer with the Governor and Company of Bank of Ireland.

"Linked Accounts" means the accounts described as such in the name of the Issuer held with the Account Bank or the Custodian (or any further or other account described as such account, in each case held with the Account Bank or the Custodian, as the case may be).

"Linked Obligor Amounts" means the aggregate exposure to any Linked Obligors calculated by reference to the allocated loan amount pertaining to such Linked Obligors in each Collateral Debt Obligation and the aggregate amount of the relevant Collateral Debt Obligations containing such Linked Obligors.

"Linked Obligors" means any Underlying Obligor, the related Underlying Property for which is also the Underlying Property for another Underlying Obligor.

"Loan" means any interest (other than a Participation) in (i) a Mortgage Loan, (ii) a Bank Loan, (iii) a Corporate Mezzanine Loan, (iv) a B Note, (v) a C Note, (vi) a Real Estate Mezzanine Loan, (vii) a Non Performing Loan Backed Loan, (viii) a Split Loan Structure or (ix) any other loan which is secured directly or indirectly by real estate or other fixed or current assets.

"Major Qualifying Uses" means, in relation to a Collateral Debt Obligation, the following Predominant Property Types: Underlying Office Properties, Underlying Retail Properties and Underlying Industrial Properties.

"Major Qualifying Countries" means any of Belgium, France, Germany, Luxembourg, The Netherlands, and the United Kingdom (excluding the Channel Islands).

"Managers" means, Citigroup Global Markets Limited, Lehman Brothers Inc. or Lehman Brothers International (Europe) and "Manager" means any one of them.

"Margin" has the meaning given thereto in Condition 6 (*Interest*).

"Market Value" means in respect of any Collateral Debt Obligation or Eligible Investment on any date of determination, the average of the bid market prices offered to the Portfolio Manager (and converted into Euro at the relevant Asset Swap Transaction Exchange Rate in the case of a Non-Euro Obligation) by at least two internationally recognised brokers (which brokers are independent from one another and from the Portfolio Manager and its Affiliates) or, if less than two bid market prices are offered to the Portfolio Manager by internationally recognised brokers, the bid market price offered to the Portfolio Manager by the internationally recognised broker (which broker is independent from the Portfolio Manager and its Affiliates) which arranged the offering of such Collateral Debt Obligation or, at the option of the Portfolio Manager, the price supplied by any independent, internationally recognised pricing service (provided that the Issuer shall have received a Rating Agency Affirmation in respect thereof), or if no such price is offered, the estimate provided by the Portfolio Manager to the Issuer which estimate shall be based on the Portfolio Manager's reasonable commercial judgment.

"Maturity Date" means, in respect of each Class of Notes (other than the Class X Senior Notes), 20 June 2047, and in respect of the Class X Senior Notes, 20 September 2013, or in the event that such day is not a Business Day, the next following Business Day.

"Measurement Date" means (a) the Effective Date; (b) after the Effective Date, any day or days on which a substitution (including each day of any sale and reinvestment, if not the same day) of, or an acquisition of, any Collateral Debt Obligation occurs; (c) after the Effective Date, each

Determination Date; and (d) with reasonable (and not less than two Business Days') notice, any Business Day requested by the Rating Agencies after the Effective Date.

"Mezzanine Coverage Tests" means, collectively, the Mezzanine Interest Coverage Test and the Mezzanine Par Value Test.

"Mezzanine Interest Coverage Ratio" means, as at any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Interest Coverage Numerator by (b) the sum of the scheduled interest payments, Commitment Fees, Revolving Facility Additional Amounts and Break Costs due and payable on the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes and the Class D Deferrable Interest Notes on the next following Payment Date.

"Mezzanine Interest Coverage Test" means the test which shall be satisfied if, as at the Effective Date and any subsequent Measurement Date, the Mezzanine Interest Coverage Ratio is at least 103.0 per cent.

"Mezzanine Loan" means either a Corporate Mezzanine Loan or Real Estate Mezzanine Loan.

"Mezzanine Note Deferred Interest" has the meaning given thereto in Condition 6(c) (*Deferral of Interest*).

"Mezzanine Noteholders" means the holders of the Mezzanine Notes from time to time.

"Mezzanine Par Value Ratio" means, as at any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Par Coverage Numerator by (b) the sum of the aggregate Principal Amount Outstanding of the Senior Debt (other than the Class X Senior Notes), the Class B Senior Notes, the Class C Deferrable Interest Notes and the Class D Deferrable Interest Notes and the amount of any unreimbursed Interest Advances.

"Mezzanine Par Value Test" means the test which shall be satisfied if, as at the Effective Date and any subsequent Measurement Date, the Mezzanine Par Value Ratio is at least 105.0 per cent.

"Minimum Denomination" means in respect of the Regulation S Notes of each Class, €100,000, and in respect of the Rule 144A Notes of each Class, €250,000.

"Monthly Report" means the monthly report defined as such in the Collateral Administration Agreement which is prepared by the Collateral Administrator (in cooperation with the Portfolio Manager) on behalf of the Issuer and deliverable to the Issuer, the Trustee, the Portfolio Manager and the Rating Agencies and upon request therefor in accordance with Condition 4(f) (*Information Regarding the Portfolio*) to any Noteholder, which shall include information regarding the status of the Collateral Debt Obligations pursuant to the Collateral Administration Agreement.

"Moody's" means Moody's Investors Service, Ltd and any successor to its rating business.

"Mortgage Loan" means a loan secured by an interest in commercial real estate.

"Non-Advancing Collateral Debt Obligation" means any Collateral Debt Obligation, with respect to which no servicer or other party is required, under the terms of the Underlying Instruments governing such Collateral Debt Obligation, to make any liquidity advances to ensure the timely receipt of interest by and for the benefit of the holder of such Collateral Debt Obligation.

"Non-Call Period" means the period from the Closing Date to but excluding the Payment Date falling on 20 June 2010 (or, if such day is not a Business Day, the next following Business Day).

"Non-Euro Notional Amount" means the notional of the related Non-Euro Obligation in Sterling or Swiss Francs (as the case may be), as may be reduced in whole or in part following a in accordance with the Asset Swap Agreement.

"Non-Euro Obligation" means a Collateral Debt Obligation denominated in any Available Currency other than Euro.

"Non-Performing Loan Backed Loan" or "Non-Performing Loan Security" means any Collateral Debt Obligation that entitles holders thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of the Collateral Debt Obligation) on the cash flow from a portfolio of non-performing loans.

"Non-Quarterly Pay Collateral Debt Obligation" means any Collateral Debt Obligation that pays interest less frequently than quarterly.

"Nonrecoverable Interest Advance" means any Interest Advance made or proposed to be made, in relation to which the Advancing Agent or the Back-up Advancing Agent, as applicable, has determined in its sole discretion, exercised in good faith, that the amount so advanced or proposed to be advanced plus interest expected to accrue thereon, will not be ultimately recoverable from subsequent payments in accordance with the Priorities of Payment.

"Note Payment Sequence" means the application of Interest Proceeds or the application of Principal Proceeds, as applicable, in the following order:

- (a) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class B Senior Notes, until such amounts have been paid in full;
- (b) to the redemption of the Class B Senior Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class B Senior Notes have been fully redeemed;
- (c) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class C-1 Deferrable Interest Notes and any Mezzanine Note Deferred Interest on the Class C-1 Deferrable Interest Notes, until such amounts have been paid in full;
- (d) to the redemption of the Class C-1 Deferrable Interest Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C-1 Deferrable Interest Notes have been fully redeemed;
- (e) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class C-2 Deferrable Interest Notes and any Mezzanine Note Deferred Interest on the Class C-2 Deferrable Interest Notes, until such amounts have been paid in full;
- (f) to the redemption of the Class C-2 Deferrable Interest Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C-2 Deferrable Interest Notes have been fully redeemed;
- (g) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class D-1 Deferrable Interest Notes and any Mezzanine Note Deferred Interest on the Class D-1 Deferrable Interest Notes, until such amounts have been paid in full;
- (h) to the redemption of the Class D-1 Deferrable Interest Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D-1 Deferrable Interest Notes have been fully redeemed;
- (i) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class D-2 Deferrable Interest Notes and any Mezzanine Note Deferred Interest on the Class D-2 Deferrable Interest Notes, until such amounts have been paid in full;
- (j) to the redemption of the Class D-2 Deferrable Interest Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D-2 Deferrable Interest Notes have been fully redeemed;

- (k) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class D-3 Deferrable Interest Notes and any Mezzanine Note Deferred Interest on the Class D-3 Deferrable Interest Notes, until such amounts have been paid in full;
- (l) to the redemption of the Class D-3 Deferrable Interest Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D-3 Deferrable Interest Notes have been fully redeemed;
- (m) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class E-1 Deferrable Interest Notes and any Mezzanine Note Deferred Interest on the Class E-1 Deferrable Interest Notes, until such amounts have been paid in full;
- (n) to the redemption of the Class E-1 Deferrable Interest Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E-1 Deferrable Interest Notes have been fully redeemed;
- (o) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class E-2 Deferrable Interest Notes and any Mezzanine Note Deferred Interest on the Class E-2 Deferrable Interest Notes, until such amounts have been paid in full; and
- (p) to the redemption of the Class E-2 Deferrable Interest Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E-2 Deferrable Interest Notes have been fully redeemed;

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, only that Class of Notes referred to in the title of the Coverage Test so breached, together with (other than in the case of the Interest Diversion Test) all Classes of Notes ranking in priority thereto, shall be redeemed.

"Note Valuation Report" means the quarterly report defined as such in the Collateral Administration Agreement which is prepared by the Collateral Administrator (in cooperation with the Portfolio Manager) on behalf of the Issuer and is deliverable to the Issuer, the Trustee, the Portfolio Manager, the Account Bank and the Rating Agencies and upon request therefor in accordance with Condition 4(f) (*Information Regarding the Portfolio*), to any Noteholder, which shall include information regarding the status of the Collateral Debt Obligations pursuant to the Collateral Administration Agreement.

"Noteholders" means (a) in the case of a Global Note, the bearer of such Global Note and (b) in the case of a Definitive Registered Note, the persons in whose name such Definitive Registered Note is registered from time to time.

"Offer" means with respect to any Collateral Debt Obligation (a) any offer by the obligor under such obligation or by any other Person made to all of the creditors of such obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration or (b) any solicitation by the issuer of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"Operating Company Securitisation Security" means a Collateral Debt Obligation that (a) is issued by a bankruptcy remote special purpose entity which has on lent the proceeds of such issuance to a single underlying obligor or single group of underlying obligors, (b) entitles the holder thereof to receive payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such Collateral Debt Obligation) on the general operating cash flow arising from the whole business, or a particular "ring-fenced" line or area of business, of the underlying obligor or single group of underlying obligors thereof and (b) (i) is secured by the fixed tangible assets of the underlying obligor or single group of underlying obligors thereof, which underlying tangible fixed assets are predominantly located in the United Kingdom being real estate or infrastructural assets or (ii) is secured by shares in a

company, or parent of a company, providing water and/or sewerage services under a license granted under the Water Industry Act of 1991 as amended.

"Outstanding" means:

- (a) in relation to the Notes, as of any date of determination, all of such Class of Notes issued other than:
 - (1) those Notes of each Class which have been redeemed pursuant to the Trust Deed;
 - (2) those Notes of each Class in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable in respect thereof and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the relative Noteholders in accordance with Condition 16 (*Notices*)) and remain available for payment against presentation of the relevant Notes;
 - (3) those Notes which have become void under Condition 12 (*Prescription*); and
 - (4) Notes represented by any Global Note to the extent that such Global Note shall have been exchanged for Notes represented by Definitive Registered Notes pursuant to its provisions,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of a Class;
- (ii) the determination of how many and which of the relevant Notes are for the time being Outstanding for the purposes of Clause 7 (*Enforcement of Security*) of the Trust Deed and Conditions 10 (*Events of Default*) and 11 (*Enforcement*);
- (iii) any discretion, power or authority (whether contained in the Trust Deed or vested by operation of law) which the Trustee is required, expressly or implicitly, to exercise in or by reference to the interests of the Noteholders or any of them; and
- (iv) the determination (where relevant) by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders of any Class,

those Notes (if any) which are for the time being held by, for the benefit of, or on behalf of, the Issuer and not cancelled shall (unless and until ceasing to be so held) be deemed not to remain Outstanding; and

provided further that for the purposes of votes required in connection with the termination of the appointment of the Portfolio Manager pursuant to clause 18.3 (Removal with Cause) of the Portfolio Management Agreement, those Notes (if any) which are for the time being held by, for the benefit of, or on behalf of, the Portfolio Manager or any of its Affiliates shall (unless and until ceasing to be so held) be deemed not to remain Outstanding; and

- (b) in relation to the Revolving Credit Facility (i) the principal drawn amount outstanding and the Undrawn and Committed Amount thereunder at any time and (ii) only in respect of calculating voting rights of the Controlling Class, at any time, such commitment amount which has not been fully repaid or cancelled at such time.

The Trustee shall be entitled to assume that there are no holdings by the Portfolio Manager except to the extent it is otherwise expressly aware and shall not be bound or concerned to make any enquiry into such holdings.

"Par Coverage Numerator" means, on any particular Measurement Date, the sum in Euro as at such date of the following:

- (a) the aggregate of the Principal Balances of the Collateral Debt Obligations (other than any Haircut Obligation or Discount Obligation);
- (b) (i) with respect to each Haircut Obligation constituting more than 7.5 per cent. of the Aggregate Collateral Balance, an amount equal to the lower of (x) the Market Value of such Haircut Obligation and (y) the Fitch Recovery Rate of such Haircut Obligation or (ii) with respect to each Haircut Obligation (other than a Discount Obligation) constituting less than 7.5 per cent. of the Aggregate Collateral Balance, an amount equal to the Principal Balance of such Haircut Obligation;
- (c) with respect to each Discount Obligation, an amount equal to the purchase price (excluding accrued interest thereon) paid by the Issuer upon the acquisition of such Discount Obligation;
- (d) the aggregate of the Balances standing to the credit of the Principal Account and the Additional Collateral Account; and
- (e) the aggregate of the Principal Balances of the Eligible Investments (to the extent not included in (c) above);

provided that to the extent (y) Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) which are not Haircut Obligations or Discount Obligations with a Fitch Rating or S&P Rating lower than "BBB-" collectively represent more than 25 per cent. of the Aggregate Collateral Balance, or (z) Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) which are not Haircut Obligations or Discount Obligations with a Fitch Rating or S&P Rating lower than "BB-" collectively represent more than 10 per cent. of the Aggregate Collateral Balance, the Par Value Numerator shall be reduced by an amount equal to the greater of (i) the product of (a) the Aggregate Principal Balance of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating or S&P Rating lower than "BBB-", (b) the Below BBB- Percentage and (c) the Below BBB- Haircut, and (ii) the product of (a) the Aggregate Principal Balance of the Collateral Debt Obligations (which are CMBS Securities, Operating Company Securitisation Securities, or Non-Performing Loan Securities) with a Fitch Rating or S&P Rating lower than "BB-", (b) the Below BB- Percentage and (c) 30 per cent.; *provided further* that for the purpose of the definition of "Par Coverage Numerator", in the event that any Collateral Debt Obligation is a Discount Obligation and a Haircut Obligation, such Collateral Debt Obligation shall be included in whichever of paragraphs (b) and (c) above would result in the lower amount (and, for the avoidance of doubt, in only one of paragraph (b) or (c)).

"Partially Deferred Loan" means a Loan which by its terms provides for the payment of interest in two components, one of which is payable currently on each due date under the Loan and the other of which is either deferred or capitalised until maturity.

"Participating Entity" means an entity that creates a Participation.

"Participation" means an interest in relation to a B Note, C Note or Mezzanine Loan acquired indirectly by the Issuer (by way of participation or sub-participation) from a Participation Entity which may be further participated or sub-participated and which excludes Secured Participations.

"Participation Agreement" means an agreement between the Issuer and a Participation Entity in relation to the purchase by the Issuer of a Participation.

"Payment Account" means the account in the name of the Issuer and held with the Account Bank to which amounts shall be transferred by the Trustee on the Business Day prior to each Payment Date out of the Expense Reserve Account and (to the extent applicable) the Additional Collateral

Account, the Interest Account and the Principal Account and out of which the amounts required to be paid on each Payment Date each as provided pursuant to the Priorities of Payment shall be paid.

"Payment Date" means the 20th day of March, June, September and December in each year commencing on 20 December 2007, the Maturity Date and any Redemption Date. If any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day.

"Perfect Asset Swap Arrangement" means an arrangement dated on or about the Closing Date between Citibank N.A., London Branch and the Issuer whereby the Issuer is entitled to enter into Asset Swap Transactions with the Asset Swap Counterparty satisfying the Pre-Approved Form in return for which, among other things, a Perfect Asset Swap Floating Amount is payable to the Asset Swap Counterparty.

"Perfect Asset Swap Arrangement Amount" means, initially, €360,000,000.

"Perfect Asset Swap Floating Amount" means (i) for each Non-Euro Obligation the Non-Euro Notional Amount of such obligation multiplied by the sum of the margin per annum (expressed as a percentage) applicable to such Non-Euro Obligation and the applicable Floating Rate of Interest payable on such obligation and (ii) the Perfect Asset Swap Arrangement Amount multiplied by 0.38 per cent. per annum payable, in connection with the Perfect Asset Swap Arrangement, quarterly in arrear on each Payment Date to the Asset Swap Counterparty in accordance with the Priorities of Payment on such Payment Date.

"Person" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"PIK Obligation" means any obligation that is permitted under its terms to (a) provide payment of interest through the issuance of additional obligations identical to such obligation or additions to the principal amount thereof for an unspecified period in the future or (b) where it is possible, prior to the principal balance of such obligation having been reduced to zero by allocation of losses arising from the underlying portfolio, to divert interest due to such obligation directly towards repayment of principal of a senior obligation in the event that certain non-performance levels are reached; provided that such obligation may be considered not to be a PIK Obligation if Rating Agency Affirmation is obtained.

"Portfolio" means the Collateral Debt Obligations and Eligible Investments held by or on behalf of the Issuer from time to time.

"Portfolio Management Fee" means the fee payable to the Portfolio Manager on each Payment Date pursuant to the Portfolio Management Agreement, consisting of the Senior Portfolio Management Fee and the Subordinated Portfolio Management Fee.

"Portfolio Profile Tests" means the portfolio profile tests defined as such in the Portfolio Management Agreement and described herein under "Description of the Portfolio—Portfolio Profile Tests".

"Potential Event of Default" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default.

"Pre-Approved Form" means the documentation evidencing the Asset Swap Transaction or Interest Rate Hedge Transaction, as the case may be, entered into from time to time between the Issuer and any Asset Swap Counterparty or Interest Rate Hedge Counterparty, as the case may be, in connection with the Issuer's payment obligations under the Notes, in respect of the form and terms of which the Issuer has received Rating Agency Affirmation, as such Pre-Approved Form

may be amended from time to time, subject to the receipt of Rating Agency Affirmation in respect thereto.

"Predominant Geographic Concentration" means, in relation to a Collateral Debt Obligation or Underlying Loan, the predominant geographical location of the Underlying Properties, as determined by the Portfolio Manager in its discretion in accordance with the Portfolio Management Agreement, which secures such Collateral Debt Obligation.

"Predominant Property Type" means, in relation to a Collateral Debt Obligation or Underlying Loan, the predominant type of Underlying Property, as determined by the Portfolio Manager in its discretion in accordance with the Portfolio Management Agreement, which secures such Collateral Debt Obligation.

"Presentation Date" means a day which is a Business Day in which the account specified by the payee is open.

"Principal Account" means the account of the Issuer with the Account Bank to which Principal Proceeds are to be credited.

"Principal Amount Outstanding" means, (a) in relation to the Revolving Credit Facility on any date the principal drawn amount outstanding and the Undrawn and Committed Amount thereunder at any time, (b) in relation to a Note of any Class on any date that has not been cancelled (nor has been redeemed or purchased by the Issuer in accordance with Condition 7 (Redemption and Purchase) and is due to be cancelled) (i) the initial principal amount thereof, plus (ii) in the case of Mezzanine Notes, any Mezzanine Note Deferred Interest deferred pursuant to Condition 6(c) (Deferral of Interest), less (iii) the aggregate of all principal payments in respect of a Note of the relevant Class that have become due and payable and have been paid since the Closing Date and (c) in relation to a Note of any Class on any date that has been cancelled (or has been redeemed or purchased by the Issuer in accordance with Condition 7 (Redemption and Purchase) and is due to be cancelled), zero.

"Principal Balance" means, with respect to any Collateral Debt Obligation or Eligible Investment, as of any date of determination, the outstanding principal amount thereof, provided however that:

- (a) the Principal Balance of any Collateral Debt Obligation or Eligible Investment which is or has become a Defaulted Obligation shall be the Calculation Amount relating to such Defaulted Obligation;
- (b) the Principal Balance of any Collateral Debt Obligation that is a Synthetic Security shall be deemed to be the principal or notional amount of such Synthetic Security, unless the Portfolio Manager determines otherwise and Rating Agency Affirmation is obtained;
- (c) the Principal Balance of a PIK Obligation, the interest of which has not been paid on its most recent interest payment date or within the previous annual period shall be deemed to be its outstanding principal amount excluding any interest accrued but not paid thereon which has been capitalised;
- (d) the Principal Balance of any Written Down Security will exclude any portion of the principal balance of such security that (i) has been written down as a result of a "realised loss", "collateral support deficit", "additional trust fund expense" or other event that under the terms of such obligation results in a write-down of principal balance or (ii) would be affected by an appraisal reduction;
- (e) the Principal Balance of any Delayed Drawdown Obligation or Revolving Obligation as of any date of determination shall be the outstanding principal amount of such Delayed Drawdown Obligation or Revolving Obligation, plus any undrawn commitments that have not been irrevocably reduced with respect to such Delayed Drawdown Obligation or Revolving Obligation; and

- (f) the Principal Balance of any Non-Euro Obligation shall be an amount in Euro equal to the principal amount outstanding of such Non-Euro Obligation converted into Euro at the Asset Swap Transaction Exchange Rate.

"Principal Proceeds" means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means (i) the Principal Proceeds received by or on behalf of the Issuer during the related Due Period and (without double counting) any other amounts to be disbursed out of the Payment Account as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) and (ii) any interest received during such Due Period on such Collateral Debt Obligation or Eligible Investments to the extent such interest constitutes proceeds from accrued interest purchased with Principal Proceeds other than accrued interest purchased by the Issuer on or prior to the Closing Date; for the avoidance of doubt, recoveries on any Defaulted Obligation will be treated as Principal Proceeds except for any such recoveries that exceed 100 per cent. of the principal amount of such Defaulted Obligation (in which case such excess shall be treated as Interest Proceeds); *provided that* Principal Proceeds will in no event include any amounts paid out of collections of principal pursuant to any servicing agreement with respect to a Collateral Debt Obligation. For the avoidance of doubt, Principal Proceeds shall include Principal Sale Proceeds.

"Principal Sale Proceeds" means all Sale Proceeds other than Interest Sale Proceeds.

"Priorities of Payment" means in the case of Interest Proceeds, the priorities of payment set out in Condition 3(c)(i) (*Application of Interest Proceeds*) or, in the case of Principal Proceeds, the priorities of payment set out in Condition 3(c)(ii) (*Application of Principal Proceeds*), provided that in the case of any redemption of the Revolving Credit Facility or the Notes in whole pursuant to Conditions 7 (*Redemption and Purchase*) or 10 (*Events of Default*) or enforcement of the security over the Collateral pursuant to Condition 11 (*Enforcement*), Priorities of Payment in Condition 3(c)(i) (*Application of Interest Proceeds*) shall exclude, to the extent that the Administrative Expenses referred to in such paragraph are Administrative Expenses of the nature described in paragraphs (a), (d), (e), (h), (i) and (j) of the definition thereof, paragraph (C) of Condition 3(c)(i) (*Application of Interest Proceeds*).

"Priority Hedge Termination Event" means termination of a Hedge Agreement in whole (but not in part) in circumstances in which the applicable Hedge Counterparty is not the sole "Defaulting Party" or "Affected Party" (as defined in such Hedge Agreement).

"Property" means any commercial and/or multifamily property or properties.

"PropCo" means a limited purpose entity established primarily for the purpose of owning properties leased to an operating company on long-term occupational leases.

"Proposed Portfolio" means the proposed Portfolio, taking into account the proposed sale and/or purchase of any Collateral Debt Obligation (excluding any Fitch Defaulted Collateral Obligations).

"Proposed Portfolio Amount" means the sum of the Principal Balance of each Collateral Debt Obligation in the Proposed Portfolio.

"pro rata basis" means an allocation of amounts payable:

- (a) in the case of amounts of interest payable among different Classes of Notes, by reference to the respective amounts of interest payable on such Classes of Notes;
- (b) in the case of amounts of principal payable among different Classes of Notes, by reference to the respective Principal Amount Outstanding of such Classes of Notes;
- (c) in the case of a single Class, by reference to the respective Principal Amount Outstanding of each Note of such Class; and

(d) in the case of any other amounts, by reference to the respective amounts payable.

"Purchased Accrued Interest" means with respect to any Due Period, all payments of interest and proceeds of sale and other Principal Proceeds received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Loan, any accrued interest which, as at the time of purchase had been capitalised and added to the principal amount of such Mezzanine Loan in accordance with its terms), which was purchased at the time of acquisition thereof.

"Qualifying Country" means any of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Liechtenstein, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom (including the Channel Islands) in each case for so long as such country has a country ceiling for foreign currency bonds or bank deposits of at least "AA" or above by S&P and a foreign currency long term debt rating of at least "AA" by Fitch, provided that for the purposes of the Eligibility Criteria and Portfolio Profile Tests, the requisite minimum rating shall be "A-" by S&P and "A-" by Fitch (and such country or countries as may be agreed to from time to time by the Issuer and the Portfolio Manager, and in respect of which the Issuer has received Rating Agency Affirmation).

"Qualifying Uses" means, in relation to a Collateral Debt Obligation or Underlying Loan, the following Predominant Property Types, Underlying Office Properties, Underlying Multifamily Properties, Underlying Retail Properties, Underlying Industrial Properties, Underlying Hospitality Properties, Underlying Mixed Use Properties, Underlying Public House Properties, Underlying Storage Properties, and Underlying Health Care Properties.

"Rated Notes" means, so long as any Notes of the relevant Class remains Outstanding, the Senior Notes and the Mezzanine Notes.

"Rating Agencies" means Fitch and S&P, *provided* that if at any time Fitch or S&P ceases to provide rating services, any other internationally recognised investment rating agency selected by the Issuer and satisfactory to the Trustee (a **"Replacement Rating Agency"**). In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in the Transaction Documents shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used.

"Rating Agency Affirmation" means with respect to any specified action or determination, receipt by the Issuer of written affirmation by the Rating Agencies or applicable Rating Agency, for so long as the Senior Debt and other Rated Notes are Outstanding and rated by the Rating Agencies, that such specified action or determination will not result in the reduction or withdrawal of its then-current ratings on the Senior Debt or other Rated Notes.

"RCF EURIBOR" is as defined under the Revolving Credit Facility Agreement.

"Real Estate Entity" means any REIT and/or any REOC and/or similar entities as the context may require or permit.

"Real Estate Entity Debt" means Collateral Debt Obligations issued, borrowed or guaranteed by a Real Estate Entity.

"Real Estate Mezzanine Loan" means a loan secured by either: (a) 100% direct or indirect ownership interests in a Person owning, operating or controlling, directly or through subsidiaries or affiliates, one or more Underlying Properties; (b) a second ranking mortgage in respect of an Underlying Property including for the avoidance of doubt in each case a Participation in such loan; or (c) or such similar security as is commonly acceptable to a prudent commercial mortgage lender in the respective underlying market.

"Record Date" has the meaning given thereto in Condition 8(a) (*Payment of Principal*).

"Redemption Date" means each date specified for a redemption of the Revolving Credit Facility or the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or the date on which the Revolving Credit Facility or the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*), in each case, if such day is not a Business Day the next following Business Day.

"Redemption Determination Date" has the meaning given thereto in Condition 7(b)(ii) (*Conditions to Optional Redemption*).

"Redemption Notice" means a redemption notice in the form available from any of the Transfer Agents which has been duly completed by a Subordinated Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"Redemption Price" means, when used with respect to:

- (a) any Senior Note or Mezzanine Note to be redeemed pursuant to Condition 7(b) (*Optional Redemption*), Condition 7(c) (*Redemption upon Breach of Coverage Tests*), Condition 7(d) (*Redemption upon Rating Reduction and Withdrawal*), Condition 7(e) (*Redemption at the Option of the Portfolio Manager*), Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*), Condition 7(k) (*Auction*) or Condition 10 (*Events of Default*), 100 per cent. of the Principal Amount Outstanding of the Senior Note or the Mezzanine Note to be redeemed, together with unpaid interest accrued thereon to the date of redemption;
- (b) the Revolving Credit Facility, 100 per cent. of outstanding Drawn Amount of, together with accrued Commitment Fee, any Revolving Facility Additional Amounts, Break Costs (if applicable) and unpaid interest accrued thereon to the date of redemption; and
- (c) any Subordinated Note to be redeemed pursuant to Condition 7(b) (*Optional Redemption*), Condition 7(c) (*Redemption upon Breach of Coverage Tests*), Condition 7(d) (*Redemption upon Rating Reduction and Withdrawal*), Condition 7(e) (*Redemption at the Option of the Portfolio Manager*), Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*), Condition 7(k) (*Auction*) or Condition 10 (*Events of Default*), such Subordinated Note's *pro rata* share (calculated in accordance with paragraph (F) of the Priorities of Payment set out in Condition 3(c)(ii) (*Application of Principal Proceeds*)) of the aggregate proceeds of liquidation of the Collateral or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payment;

provided that, in the event that the Notes become subject to redemption in whole (but not in part) pursuant to more than one of Condition 7(b) (*Optional Redemption*) due to the occurrence of a Relevant Tax Event, Condition 7(b) (*Optional Redemption*) other than due to the occurrence of a Relevant Tax Event, Condition 7(c) (*Redemption upon Breach of Coverage Tests*), Condition 7(d) (*Redemption upon Rating Reduction and Withdrawal*), Condition 7(e) (*Redemption at the Option of the Portfolio Manager*), Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*), Condition 7(k) (*Auction*) or Condition 10 (*Events of Default*), the Redemption Price applicable upon redemption thereof shall be that which relates to the redemption of the Revolving Credit Facility or the Notes which would occur first in time pursuant to the relevant provisions thereof.

"Reference Banks" has the meaning given thereto in paragraph (B) of Condition 6(e)(i) (*Rate of Interest applicable to the Senior Notes and Mezzanine Notes*).

"Reference Obligation" means a Security, Loan or Participation to which a Repackaged Security or Synthetic Security is linked.

"Register" means the register which the Issuer will cause to be kept at the specified office of the Registrar on which shall be entered the names and addresses of holders of Definitive Registered Notes and the particulars of the Definitive Registered Notes held by them and of all transfers and redemptions of Definitive Registered Notes.

"Registered" means, with respect to any debt obligation or certificate of interest in a trust that is a grantor trust for U.S. federal income tax purposes, a debt obligation or certificate of interest in a trust issued after 18 July 1984 and in registered form for U.S. federal income tax purposes, *provided that* a certificate of interest in a grantor trust is considered "registered" only if each of the debt obligations held by such trust was also issued after 18 July 1984.

"Regulation S Notes" means Notes offered for sale to non-U.S. Persons outside the United States under Regulation S of the Securities Act.

"Reinvestment Criteria" means the Reinvestment Criteria specified in the Portfolio Management Agreement.

"Reinvestment Period" means the period from and including the Closing Date to and including the Payment Date in June 2013.

"REIT" means a Person to which Part 4 of the United Kingdom Finance Act 2006 (or the equivalent thereof in any other jurisdiction) applies.

"Relevant Date" means whichever is the later of (a) the date on which any payment first becomes due and (b) if the full amount payable has not been received by the Paying Agents or the Trustee (as applicable) on or prior to such due date, the date on which the full amount having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 16 (*Notices*).

"Relevant Tax Event" has the meaning given thereto in Condition 7(b)(i) (*Redemption at the Option of the Subordinated Noteholders*).

"REOC" means a Person whose ordinary business substantially consists of the management, operation and/or development of real estate related assets and for the avoidance of doubt, REOC shall not include: (a) any Person who manages or operates real estate related assets as servicer, delegate, manager or agent for a third party; (b) any Person which is treated as a REIT; or (c) the issuer of any CMBS Securities.

"Repackaged Security" means debt securities issued pursuant to a physical repackaging of a Loan, Participation or Security satisfying the Eligibility Criteria for a Collateral Debt Obligation.

"Repayment Date" shall have the meaning ascribed thereto in the Revolving Credit Facility Agreement.

"Replacement Asset Swap Transaction" means any Asset Swap Transaction entered into by the Issuer, or the Portfolio Manager on its behalf, in accordance with the provisions of the Portfolio Management Agreement upon termination of an existing Asset Swap Transaction, that preserves for the Issuer the economic effect of the terminated Asset Swap Transaction, subject to such amendments thereto as may be agreed by the Trustee and in respect of which the Issuer has received Rating Agency Affirmation.

"Replacement Hedge Agreement" means any Hedge Agreement entered into by the Issuer upon termination of an existing Hedge Agreement on substantially the same terms as such existing Hedge Agreement, that preserves for the Issuer the economic effect of the terminated Hedge Agreement and all Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Affirmation is obtained.

"Replacement Hedge Transaction" means any interest rate transaction or cash flow transaction, as applicable, entered into by the Issuer in replacement of, and on substantially the same terms as, an existing Hedge Transaction pursuant to a Replacement Hedge Agreement.

"Required Ratings" means, in the case of (i) the Account Bank, long term and short term unsecured debt ratings of at least "AA-" and "F1", respectively, from Fitch and "AA-" and "A-1+", respectively, from S&P, (ii) the Custodian, long term and short term unsecured debt ratings of at least "AA-" and "F1+", respectively, from Fitch and "AA-" and "A-1", respectively, from S&P, (iii) an Asset Swap Counterparty or any guarantor thereof, long term unsecured debt ratings of at least "A+" from Fitch and short term unsecured debt ratings of at least "F1" from Fitch and "A-1" from S&P, (iv) an Interest Rate Hedge Counterparty or any guarantor thereof, long term unsecured debt ratings of at least "A" from Fitch and short term unsecured debt ratings of at least "F1" from Fitch and "A-1" from S&P, (v) a Synthetic Counterparty or any guarantor thereof if such Synthetic Counterparty may be obligated to make payments in respect of principal to the Issuer, long term unsecured debt ratings of at least "A+" from Fitch and "A" from S&P and short term unsecured debt ratings of at least "F1" from Fitch, (vi) a Synthetic Counterparty or any guarantor thereof if such Synthetic Counterparty may be obligated to make payments only in respect of interest and not in respect of principal to the Issuer, long term unsecured debt ratings of at least "A" from Fitch and S&P and short term unsecured debt ratings of at least "F1" from Fitch, and (vii) a Revolving Credit Facility Provider or any guarantor in respect thereof, short term unsecured, unguaranteed and unsubordinated debt ratings of at least "F1" by Fitch and "A-1" by S&P and long term unsecured, unguaranteed and unsubordinated debt ratings of at least "A+" by Fitch.

"Revolving Credit Facility" means the revolving credit facility made available to the Issuer by the Revolving Credit Facility Provider pursuant to the Revolving Credit Facility Agreement.

"Revolving Credit Facility Agent" means the person (if any) acting as agent under the Revolving Credit Facility Agreement.

"Revolving Credit Facility Agent Fees" means the fees payable to the Revolving Credit Facility Agent in respect of its services in connection with the Revolving Credit Facility.

"Revolving Credit Facility Agreement" means the revolving credit facility agreement dated on or about the Closing Date between the Revolving Credit Facility Provider, the Revolving Credit Facility Agent, the Issuer, the Collateral Administrator and the Trustee pursuant to which the Issuer may borrow amounts to enable it to purchase Collateral Debt Obligations.

"Revolving Credit Facility Provider" means Citibank N.A., London Branch and any other bank or financial institution whose short term, senior, unsecured, unguaranteed debt securities are rated no less than "F1" by Fitch and no less than "A-1" by S&P and whose long term, senior, unsecured, unguaranteed debt securities are rated no less than "A+" by Fitch on an ongoing basis which becomes a Revolving Credit Facility Provider after the Closing Date in accordance with the Revolving Credit Facility Agreement and shall include any such bank or financial institution acting in its capacity as Revolving Credit Facility Agent.

"Revolving Credit Interest Period" means the period commencing on (and including) the date on which a drawing is made under the Revolving Credit Facility to but excluding the next Payment Date (and thereafter from and including one Payment Date to and excluding the next Payment Date) (or such other period as may be agreed between the Issuer and the Revolving Credit Facility Agent provided always that any period shall, if not ending sooner, end on the next Payment Date) and in respect of the last Revolving Credit Interest Period, the period commencing on (and including) the Payment Date that immediately precedes the Repayment Date to but excluding the Repayment Date.

"Revolving Credit Interest Rate" means with respect to any drawings under the Revolving Credit Facility, the rate equal to the sum of 0.31 per cent. per annum and RCF EURIBOR.

"Revolving Facility Additional Amounts" means any amounts payable by the Issuer in respect of any indemnities, tax indemnities and other amounts (other than interest or principal amounts) payable to the Revolving Credit Facility Provider under the Revolving Credit Facility Agreement (including, for the avoidance of doubt, any Increased Costs (as defined in the Revolving Credit Facility Agreement) but excluding any Break Costs.

"Revolving Obligation" means any Collateral Debt Obligation (other than a Delayed Drawdown Obligation) that is a loan (including, without limitation, Revolving Credits, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Debt Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"Rule 144A Notes" means Notes offered for sale within the United States or to U.S. persons who are both Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) and Qualified Purchasers (within the meaning of Section 2(a)(51) of the Investment Company Act and the rules and regulation thereunder) in reliance on Rule 144A under the Securities Act.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor or successors thereto.

"Sale Proceeds" means (a) in the case of any Collateral Debt Obligation (save for any Asset Swap Obligation) all proceeds received upon the sale thereof and any Distribution received upon liquidation of Synthetic Collateral in the event that the Synthetic Security or the Synthetic Counterparty's security interest is terminated by the Portfolio Manager or sold or assigned, in each case pursuant to the Portfolio Management Agreement, and (b) in the case of any Asset Swap Obligation, all amounts in Euro payable to the Issuer by the applicable Asset Swap Counterparty in exchange for termination of the Asset Swap Transaction and payment by the Issuer of the sale proceeds of any Collateral Debt Obligation as described in paragraph (a) above, under the related Asset Swap Transaction together with any other proceeds of sale in relation to the Non-Euro Obligation, in each case net of any amounts expended by or payable by the Portfolio Manager or the Collateral Administrator (in each case, on behalf of the Issuer) in connection with such sale or other disposition.

"Scheduled Asset Swap Counterparty Payments" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid to the Issuer by the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction, excluding any termination payments payable upon termination in whole or in part of the Asset Swap Agreement.

"Scheduled Asset Swap Issuer Payments" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid by the Issuer to the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction, excluding any termination payments payable upon termination in whole or in part of the Asset Swap Agreement.

"Scheduled Principal Proceeds" means,

- (a) in the case of any Collateral Debt Obligation (save for any Asset Swap Obligation), scheduled principal repayments (including any final maturity payments that are received on and from the date falling six calendar months prior to the scheduled maturity date of such Collateral Debt Obligation) received by the Issuer (including scheduled amortisation, instalment payments or the principal proceeds received as a result of the redemption of such Collateral Debt Obligation upon the exercise of a step-up call);
- (b) in the case of any Asset Swap Obligation, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Asset Swap Counterparty under the related Asset Swap Transaction; and

- (c) Synthetic Collateral (or any amount received upon liquidation thereof) that ceases to be subject to the applicable Synthetic Counterparty's security interest on expiration of the related Synthetic Security at its scheduled maturity.

"Second Senior Coverage Tests" means the Second Senior Par Value Test and the Second Senior Interest Coverage Test.

"Second Senior Interest Coverage Ratio" means, as at any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Interest Coverage Numerator by (b) the sum of the scheduled interest payments, Commitment Fees, Revolving Facility Additional Amounts and Break Costs due and payable on or in respect of the Senior Debt, the Class B Senior Notes and the Class C Deferrable Interest Notes on the next following Payment Date.

"Second Senior Interest Coverage Test" means the test which shall be satisfied if as at the Effective Date and any subsequent Measurement Date the Second Senior Interest Coverage Ratio is at least 110.0 per cent.

"Second Senior Par Value Ratio" means, as at any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Par Coverage Numerator by (b) the sum of the aggregate Principal Amount Outstanding of the Senior Debt (other than the Class X Senior Notes), the Class B Senior Notes and the Class C Deferrable Interest Notes.

"Second Senior Par Value Test" means a test that shall be satisfied if as at the Effective Date and any subsequent Measurement Date the Second Senior Par Value Ratio is at least 110.0 per cent.

"Secured Participation" means a Participation in respect of which the Issuer has security over the Collateral Debt Obligation to which such Participation relates and which shall be treated as a direct holding of such Collateral Debt Obligation.

"Secured Party" means each of the Revolving Credit Facility Provider, the Senior Noteholders, the Mezzanine Noteholders, the Subordinated Noteholders, the Portfolio Manager, the Advancing Agent, the Back-up Advancing Agent, the Collateral Administrator, the Trustee, the Agents, each Hedge Counterparty and the Managers.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Security" means a CMBS Security, Operating Company Securitisation Security, Non-Performing Loan Security, Repackaged Security or Synthetic Security.

"Semi-Annual Interest Smoothing Account" means the account of the Issuer with the Account Bank to which Semi-Annual Interest Smoothing Amounts are to be credited.

"Semi-Annual Interest Smoothing Amounts" has the meaning given thereto in Condition 3(i)(H) (*Semi-Annual Interest Smoothing Account*).

"Senior Coverage Tests" means the Senior Par Value Test and the Senior Interest Coverage Test.

"Senior Debt" means together, (a) the Class X Senior Notes and the Class A Senior Notes (which shall include the Class A Refinancing Notes) and (b) the Drawn Amount and the Undrawn and Committed Amount of the Revolving Credit Facility.

"Senior Debt Redemption Method" means the method in which the Issuer should redeem or repay Senior Debt (pursuant to the Priorities of Payment), which would always be to use available Principal Proceeds to redeem and/or repay the Senior Debt on a *pari passu* basis.

"Senior Fee Cap" means, in respect of each Payment Date, €25,000.

"Senior Interest Coverage Ratio" means, as at any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Interest Coverage Numerator by (b) the sum of the

scheduled interest payments due and payable on or in respect of the Senior Debt and the Class B Senior Notes on the next following Payment Date.

"Senior Interest Coverage Test" means the test which shall be satisfied if as at the Effective Date and any subsequent Measurement Date the Senior Interest Coverage Ratio is at least 125.0 per cent.

"Senior Noteholders" means the holders of the Senior Notes from time to time.

"Senior Par Value Ratio" means, as at any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Par Coverage Numerator by (b) the sum of the aggregate Principal Amount Outstanding of the Senior Debt (other than the Class X Senior Notes) and the Class B Senior Notes and the amount of any unreimbursed Interest Advances.

"Senior Par Value Test" means a test that shall be satisfied if as at the Effective Date and any subsequent Measurement Date the Senior Par Value Ratio is at least 117.50 per cent.

"Senior Portfolio Management Fee" means the senior portfolio management fee payable to the Portfolio Manager on each Payment Date pursuant to the Portfolio Management Agreement, payable quarterly in arrears, equal to 0.10 per cent. per annum of the Aggregate Collateral Balance on the Determination Date immediately preceding such Payment Date, together with any value added tax thereon (whether payable to the Portfolio Manager or directly to the relevant tax authority).

"Single Asset Mortgage Security" means a commercial mortgage bond, note or similar security backed primarily by a single Underlying Loan on one or more Underlying Properties included in a property-specific securitisation transaction.

"Single Borrower Mortgage Security" means a commercial mortgage bond, note or similar security backed primarily by one or more Underlying Loans to the same Underlying Obligor (or affiliated Underlying Obligors) on one or more Underlying Properties included in a securitization.

"Smoothing Accounts" means the Semi-Annual Interest Smoothing Account and the Annual Interest Smoothing Account.

"Split Loan Structure" means a secured loan that is divided into two or more promissory notes that may rank sequentially in right of payment, *pari passu* in right of payment or any combination thereof.

"Stated Maturity" means, with respect to any Collateral Debt Obligation or Eligible Investment, the date specified in such obligation as the fixed date on which the final payment or repayment of principal of such obligation is due and payable or, if such date is not a Business Day, the next following Business Day.

"Step-Up Security" means a debt security or a loan that provides that the interest rate of which increases over a specified period of time other than due to the increase of the index relating to a floating rate Underlying Loan.

"Subordinated Loan" means the aggregate amount outstanding under the credit enhancement facility agreement dated 6 December 2006, between Eurocastle as subordinated lender and the Issuer as borrower.

"Subordinated Noteholders" means the holders of the Subordinated Notes from time to time.

"Subordinated Portfolio Management Fee" means the subordinated portfolio management fee payable to the Portfolio Manager on each Payment Date pursuant to the Portfolio Management Agreement, payable quarterly in arrears, equal to (i) 0.15 per cent. per annum of the Aggregate Collateral Balance on the Determination Date immediately preceding such Payment Date, together with any value added tax thereon (whether payable to the Portfolio Manager or directly to the

relevant tax authority) and (ii) any Subordinated Portfolio Management Fee accrued but unpaid on the Payment Date on which it is originally due (other than in relation to which the Portfolio Manager has elected to defer payment) together with interest at the rate equal to the offered rate for three-month EURIBOR as determined by the Principal Paying Agent from time to time, from (and including) the Payment Date on which such fee was due to (but excluding) the day on which such fee is actually paid.

"Substitute Collateral Debt Obligation" means a Collateral Debt Obligation purchased in substitution for a previously held Collateral Debt Obligation or purchased out of Principal Proceeds, in each case, pursuant to the terms of the Portfolio Management Agreement, and which satisfies the Eligibility Criteria. For the avoidance of doubt, the failure of any Collateral Debt Obligation to satisfy the Eligibility Criteria at any time after the Issuer (or the Portfolio Manager on behalf of the Issuer pursuant to the Portfolio Management Agreement) agreed to purchase such Collateral Debt Obligation shall not cause such Collateral Debt Obligation to cease to be a Substitute Collateral Debt Obligation.

"Swapped Fixed Rate Collateral Debt Obligation" means any Collateral Debt Obligation that accrues interest at a fixed rate and is the subject of a Hedge Transaction.

"Swapped Non-Quarterly Pay Collateral Debt Obligation" means any Non-Quarterly Pay Collateral Debt Obligation that is the subject of a Hedge Transaction.

"Synthetic Cash Collateral" means any cash collateral required to be delivered by the Issuer as security for its obligations to any Synthetic Counterparty under any Synthetic Security pursuant to the terms thereof.

"Synthetic Collateral" means any Synthetic Cash Collateral and/or Synthetic Non-Cash Collateral to be delivered by the Issuer as security for its obligations to any Synthetic Counterparty under any Synthetic Security pursuant to the terms thereof. References to the price payable upon the acquisition of or entry into of a Synthetic Security acquired or entered into by the Issuer on an unfunded basis shall be deemed to be the aggregate principal amount of Synthetic Collateral required to be delivered by the Issuer to the applicable Synthetic Counterparty.

"Synthetic Collateral Accounts" means the Synthetic Collateral Cash Account and/or the Synthetic Collateral Non-Cash Account, as the case may be.

"Synthetic Collateral Cash Account" means the interest bearing account in the name of the Issuer held with the Account Bank into which all Synthetic Cash Collateral is to be deposited.

"Synthetic Collateral Non-Cash Account" means the segregated security account in the name of the Issuer held with the Custodian into which all Synthetic Non-Cash Collateral is to be deposited.

"Synthetic Counterparty" means any counterparty under a Synthetic Security or any guarantor of any such entity or, in the case of a Synthetic Security that represents an ownership interest in one or more assets held by the issuer of such Synthetic Security, any entity required to make payments on any such asset and who has, in the case of any Synthetic Security consisting of a swap transaction, regulatory capacity to enter into derivatives transactions with Irish residents.

"Synthetic Non-Cash Collateral" means any securities required to be delivered by the Issuer as security for its obligations to any Synthetic Counterparty under any Synthetic Security pursuant to the terms thereof that (i) are Eligible Investments with Stated Maturities occurring no later than the Business Day prior to the earlier of (a) the next Payment Date and (b) the earliest date on which the Issuer could be required to liquidate such securities to make a payment with respect to the related Synthetic Security or (ii) for which the Issuer has received a Rating Agency Affirmation.

"Synthetic Security" means a credit default swap or other credit derivative, credit linked note referencing a Security or Loan, swap transaction or other derivative transaction, debt security, security issued by a trust or similar vehicle or other investment (excluding any equity investment)

purchased from or issued by a Synthetic Counterparty or entered into by the Issuer with a Synthetic Counterparty, which (as determined by the Portfolio Manager) entitles the holder thereof to receive payments of interest and/or principal that are linked, directly or indirectly, to the credit of one or more obligors and/or value and/or price performance and/or cash flows of one or more Reference Obligations (and whether or not such entitlement is also linked to other matters), but which may provide for a different maturity, payment dates, interest rate, credit exposure or other credit or non-credit related characteristics than such Reference Obligations; *provided that*:

- (a) other than any credit default swap or total return swap, such Synthetic Security will not require the Issuer to make any payment to any Synthetic Counterparty after the initial purchase thereof by the Issuer other than the delivery or payment to any Synthetic Counterparty of any Synthetic Collateral pledged in accordance with the terms thereof and provided that any obligations of the Issuer thereunder are limited to such Synthetic Collateral;
- (b) the ownership of such Synthetic Security will not subject the Issuer to any tax which is imposed on net income; and
- (c) such Synthetic Security will not constitute a commodity option, leverage transaction or futures contract that is subject to the jurisdiction of the U.S. Commodities Futures Trading Commission.

The entry into any Synthetic Security will be subject to Rating Agency Affirmation. For the avoidance of doubt, an Asset Swap Obligation, a Hedge Obligation or credit linked note directly referencing a pool of assets (instead of referencing an asset backed security secured upon or linked to such pool of assets) shall not constitute a Synthetic Security. Any reference in these Conditions or any Transaction Document to "interest" shall, unless the context requires otherwise, include scheduled periodic payments under any Synthetic Security.

"Synthetic Security CDS" means a Synthetic Security which is a credit default swap transaction.

"Target Par Amount" means €800,000,000, or such amount proportionally reduced after taking in to effect any Special Redemption.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"Total Commitments" has the meaning ascribed thereto in the Revolving Credit Facility Agreement.

"Total Outstandings" has the meaning ascribed thereto in the Revolving Credit Facility Agreement.

"Transaction Documents" has the meaning given thereto in the Trust Deed.

"Transaction Creditors" means each of the Secured Parties, the Directors and any other Person to whom the Issuer owes any obligations from time to time.

"Trustee Fees and Expenses" means the fees and expenses and any other amounts payable to the Trustee or any duly appointed receiver or appointee thereof pursuant to the Trust Deed from time to time, including (i) any value added tax due and payable in respect thereof and (ii) any Advancing Agent Fees payable to the Back-up Advancing Agent upon the Advancing Agent's failure to make a required Interest Advance.

"Underlying Healthcare Property" means any Underlying Property which is predominantly used or let as a hospital, clinic, sport club, spa and other health care facilities as determined by the Portfolio Manager.

"Underlying Hospitality Property" means any Underlying Property which is predominantly used or let as a hotel, motel, youth hostel, bed and breakfast or for similar purposes as determined by the Portfolio Manager.

"Underlying Industrial Property" means any Underlying Property which is predominantly used or let as a factory, refinery plant, brewery logistics centre, distribution centre, industrial storage, industrial repair or servicing or for similar purposes as determined by the Portfolio Manager.

"Underlying Instruments" means a trust deed, indenture, pooling and servicing agreement, trust agreement, loan or credit agreement, Intercreditor Agreement, debenture, deed of charge and/or assignment, share charge, interest rate hedging agreement, currency hedging agreement, credit default swap, total return swap, credit linked note, indemnity, guarantee, deed poll or other agreement or instrument pursuant to which a Collateral Debt Obligation and in particular Repackaged Securities has been issued (in the case of the Collateral evidenced by or in the form of instruments), granted or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Debt Obligation or under which the holders or creditors under such Collateral Debt Obligation are the beneficiaries.

"Underlying Loan" means with respect to any Collateral Debt Obligations, any loan obligation (howsoever described) made to finance or refinance Underlying Property and which: (i) in the case of any Mortgage Loan, is such Mortgage Loan, (ii) in the case of any Mezzanine Loan, is such Mezzanine Loan; (iii) in the case of any B Note or C Note, is the whole of the loan in which the B Note or C Note is an interest; (iv) in the case of any CMBS Securities, is the whole of each loan which secures such CMBS Securities or by reference to which payments on such CMBS Securities are made; and (v) in the case of any Real Estate Entity Debt is the loan made to, or guaranteed by, or the debt security issued by, the Underlying Obligor in respect of such Real Estate Entity Debt, as the case may be.

"Underlying Mixed Use Property" means any Underlying Property which, in the opinion of the Portfolio Manager, has more than one use but has no use that is significantly more predominant than any other use.

"Underlying Multifamily Property" means any Underlying Property which is predominantly used or let as an apartment building, condominium, cooperative owned building or for similar purposes as determined by the Portfolio Manager.

"Underlying Obligor" means (i) in respect of any CMBS Securities, the issuer and/or guarantor(s) of such CMBS Securities; (ii) in respect of any Loan, the borrower(s), guarantor(s) and/or other providers of security in respect of such Loan; (iii) in respect of any Real Estate Entity Debt, the issuer, borrower or guarantor of such Real Estate Entity Debt, as the case may be; (iv) in respect of any Synthetic Security where the context requires the borrower, issuer or guarantor under the Reference Obligation of such Synthetic Security; (v) in respect of any Participation where the context requires the borrower, issuer or guarantor of the Collateral Debt Obligation which is the subject of such Participation; (vi) for any Asset Swap Transaction the borrower, issuer or guarantor for the relevant Non-Euro Obligation, in each case as the context may require or permit; (vii) in respect of any Repackaged Security, the borrower, issuer or guarantor of such Repackaged Security; and (viii) for any Eligible Investment, the issuer or borrower of such Eligible Investment.

"Underlying Office Property" means any Underlying Property which is predominantly used or let for office, conference and similar purposes as determined by the Portfolio Manager.

"Underlying Property" means any Property which: (i) in the case of any Mortgage Loan, B Note or C Note, secures the same; (ii) in the case of any Mezzanine Loan, either secures the same or is owned (directly or indirectly) by the Underlying Obligor or an Affiliate thereof in respect of the same; (iii) in the case of any CMBS Securities, secures (directly or indirectly) the Underlying Loan(s) which secure such CMBS Securities or by reference to which payments on such CMBS Securities are made; and (iv) in the case of any Real Estate Entity Debt secures (either directly or

indirectly) any Underlying Loan or debt security issued by the issuer of such Real Estate Entity Debt.

"Underlying Public House Property" means any Underlying Property which is predominantly used or let as a public house or for similar purposes as determined by the Portfolio Manager.

"Underlying Retail Property" means any Underlying Property which is predominantly used or let as a retail shop, bookshop, clothing shop, restaurant or for similar purposes as determined by the Portfolio Manager.

"Underlying Storage Property" means any Underlying Property which is predominantly used or let as a storage facility or for similar purposes as determined by the Portfolio Manager.

"Undrawn and Committed Amount" means in respect of the Revolving Credit Facility an amount equal to the aggregate of the Unfunded Amount.

"Unfunded Amount" means, with respect to any Delayed Drawdown Obligation or Revolving Obligation, the excess, if any, of (i) the Commitment Amount under such Delayed Drawdown Obligation or Revolving Obligation, as applicable, at such time over (ii) the funded amount thereof at such time.

"Unfunded Revolver Reserve Accounts" means the accounts of the Issuer established and maintained with the Account Bank, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to the Delayed Drawdown Obligations and Revolving Obligations.

"Unscheduled Principal Proceeds" means:

- (a) with respect to any Collateral Debt Obligation other than an Asset Swap Obligation, all principal repayments received by the Issuer which are not Scheduled Principal Proceeds including any final maturity payments that are received in respect of a Collateral Debt Obligation more than six calendar months prior to the scheduled maturity date of such Collateral Debt Obligation;
- (b) with respect to any Asset Swap Obligation, any amounts payable to the Issuer by the applicable Asset Swap Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds received in respect of any Collateral Debt Obligation, as described in paragraph (a) above, under the related Asset Swap Transaction; and
- (c) Synthetic Collateral (or any amount received upon liquidation thereof) that ceases to be subject to the applicable Synthetic Counterparty's security interest on termination (but not expiration) of such Synthetic Security other than at the option of the Issuer.

The **"Weighted Average Fitch Rating Factor"** is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation (excluding Fitch Defaulted Collateral Obligations) by its Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Debt Obligations excluding Defaulted Obligations and rounding the result up to the second decimal place.

The Rating Factor means for the purposes of computing the Weighted Average Fitch Rating Factor, the number assigned below to the applicable Rating of each Collateral Debt Obligation.

Rating	Rating Factor
AAA	0.19
AA+	0.57
AA	0.89
AA-	1.15
A+	1.65

A	1.85
A-	2.44
BBB+	3.13
BBB	3.74
BBB-	7.26
BB+	10.18
BB	13.53
BB-	18.46
B+	22.84
B	27.67
B-	34.98
CCC+	43.36
CCC	48.52
CC	77.00
C	95.00
DDD-D	100.00

"**Written Down Security**" means, as of any date of determination, any Collateral Debt Obligation as to which the aggregate par amount of the entire issue of such Collateral Debt Obligation and all other securities secured by the same pool of collateral and that rank senior in priority of payment to such issue exceeds the aggregate par amount of all collateral (giving effect to any appraisal reductions) securing such issue (excluding defaulted collateral).

2. **Form And Denomination, Title, Transfer And Exchange**

- (a) **Form and Denomination:** The Notes of each Class shall be represented on issue by a permanent global note of such Class in fully registered form, without interest coupons or principal receipts attached, in the applicable Minimum Denomination and integral multiples of any Authorised Denomination in excess thereof and shall be deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream, Luxembourg (in the case of the Regulation S Global Notes) or deposited with a custodian for, and registered in the name of a nominee for, DTC (in the case of the Rule 144A Global Notes). Beneficial interests in a Global Note may be held only through Euroclear or Clearstream, Luxembourg (in the case of the Regulation S Global Notes) or DTC (in the case of the Rule 144A Global Notes) at any time. Definitive certificates representing the Notes shall only be issued to each Noteholder in limited circumstances. Notes in definitive form will be issued only in registered form (the "**Definitive Registered Notes**"), and only in the limited circumstances described in the Global Notes, in the applicable Minimum Denomination and integral multiples of any Authorised Denomination in excess thereof.
- (b) **Title to the Registered Notes:** Title to the Definitive Registered Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Definitive Registered Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Definitive Registered Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.
- (c) **Transfer:** Definitive Registered Notes may be transferred in whole or in part in nominal amounts equal to the applicable Minimum Denomination and integral multiple of any Authorised Denomination in excess thereof only upon the surrender, at the specified office of the Registrar or any Transfer Agent, of the Definitive Registered Note to be transferred, with the form of transfer endorsed on such Definitive Registered Note duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding

of Notes represented by a Definitive Registered Note, a new Definitive Registered Note will be issued to the transferee in respect of the part transferred and a further new Definitive Registered Note in respect of the balance of the holding not transferred will be issued to the transferor. No transfer of a Definitive Registered Note will be valid unless and until entered on the Register. The Portfolio Manager shall not be required to execute any such transfer certificate unless it determines in its sole discretion to do so.

- (d) ***Delivery of New Definitive Registered Notes:*** Each new Definitive Registered Note to be issued pursuant to Condition 2(e) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing Definitive Registered Note upon partial redemption. Delivery of new Definitive Registered Note(s) shall be made at the specified office of any Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post at the risk of the holder entitled to the new Definitive Registered Note to such address as may be so specified. In this Condition 2(f) (*Delivery of New Definitive Registered Notes*) "Business Day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the applicable Transfer Agent and the Registrar.
- (e) ***Transfer Free of Charge:*** Transfer of Definitive Registered Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.
- (f) ***Closed Periods:*** No Noteholder may require the transfer of a Definitive Registered Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Definitive Registered Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.
- (g) ***Regulations Concerning Transfer and Registration:*** All transfers of Definitive Registered Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Definitive Registered Notes scheduled to the Trust Deed, including without limitation, that a transfer of Definitive Registered Notes in breach of certain of such regulations will not be recognised by the Issuer, Trustee and the Registrar and such transfer will not operate to transfer any rights to the transferee. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations will be sent by the Registrar to any Noteholder who so requests.

3. Status

- (a) ***Status:*** The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*). The Notes of each Class are secured in the manner described in Condition 4 (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.
- (b) ***Relationship Among the Classes:*** The Notes of each Class are constituted by the Trust Deed and secured on the Collateral as further described in the Trust Deed. Payments of principal and interest on each Class of Notes will rank *pari passu* in right of payment amongst such Class of Notes (other than the Senior Debt which may be redeemed and repaid in accordance with the Senior Debt Redemption Method as at the related Determination Date). Payments of interest and principal of the Revolving Credit Facility

and the Notes will be made in accordance with the order of priority of payments in this Condition 3 (*Status*) or Condition 11 (*Enforcement*). Payments of interest and principal may also be made in respect of the Revolving Credit Facility in accordance with Condition 3 (i) (*Accounts*). Save to the extent provided otherwise in these Conditions:

- (i) no amount of principal in respect of the Class B Senior Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt;
- (ii) no amount of principal (for the avoidance of doubt, excluding Mezzanine Note Deferred Interest on the Class C-1 Deferrable Interest Notes) in respect of the Class C-1 Deferrable Interest Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt and the Class B Senior Notes;
- (iii) no amount of principal (for the avoidance of doubt, excluding Mezzanine Note Deferred Interest on the Class C-2 Deferrable Interest Notes) in respect of the Class C-2 Deferrable Interest Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt, the Class B Senior Notes and the Class C-1 Deferrable Interest Notes;
- (iv) no amount of principal (for the avoidance of doubt, excluding Mezzanine Note Deferred Interest on the Class D-1 Deferrable Interest Notes) in respect of the Class D-1 Deferrable Interest Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt, the Class B Senior Notes and the Class C Deferrable Interest Notes;
- (v) no amount of principal (for the avoidance of doubt, excluding Mezzanine Note Deferred Interest on the Class D-2 Deferrable Interest Notes) in respect of the Class D-2 Deferrable Interest Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes and the Class D-1 Deferrable Interest Notes;
- (vi) no amount of principal (for the avoidance of doubt, excluding Mezzanine Note Deferred Interest on the Class D-3 Deferrable Interest Notes) in respect of the Class D-3 Deferrable Interest Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes, the Class D-1 Deferrable Interest Notes and the Class D-2 Deferrable Interest Notes;
- (vii) no amount of principal (for the avoidance of doubt, excluding Mezzanine Note Deferred Interest on the Class E-1 Deferrable Interest Notes and amounts payable to the Class E Deferrable Interest Notes pursuant to paragraph (R) of Condition 3(c)(i) (*Application of Interest Proceeds*)) in respect of the Class E-1 Deferrable Interest Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes and the Class D Deferrable Interest Notes;
- (viii) no amount of principal (for the avoidance of doubt, excluding Mezzanine Note Deferred Interest on the Class E-2 Deferrable Interest Notes and amounts payable to the Class E Deferrable Interest Notes pursuant to paragraph (R) of Condition 3(c)(i) (*Application of Interest Proceeds*)) in respect of the Class E-2 Deferrable Interest Notes shall become due and payable until redemption and repayment, as applicable, in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes, the Class D Deferrable Interest Notes and the Class E-1 Deferrable Interest Notes; and

- (ix) no amount of principal in respect of the Subordinated Notes shall become due and payable or be paid until redemption and repayment in full of each of the other Classes of Notes and the Revolving Credit Facility.
- (c) **Priorities of Payment:** The Account Bank (acting upon each Note Valuation Report) shall, on behalf of the Issuer, on each Payment Date disburse first Interest Proceeds and then Principal Proceeds transferred to the Payment Account on the Business Day prior thereto in accordance with Condition 3(i) (*Accounts*) in accordance with the following Priorities of Payment as calculated by the Collateral Administrator pursuant to the terms of the Collateral Administration Agreement on each Determination Date:
 - (i) **Application of Interest Proceeds:** Subject to paragraph (iii) (Determination of Amounts) below, Interest Proceeds (including any Interest Sale Proceeds) shall be applied in the following order of priority:
 - (A) to the payment of €250 to the Issuer for deposit into the Issuer Irish Account on each Payment Date and to the payment of taxes owing by the Issuer accrued in respect of the related Due Period, as notified by an Authorised Officer of the Issuer to the Trustee, if any, and other than any value added tax payable in respect of any Portfolio Management Fee;
 - (B) to the payment of accrued and unpaid Trustee Fees and Expenses payable to the Trustee pursuant to the Trust Deed up to a maximum amount on any Payment Date equal to the excess, if any, of (1) the Senior Fee Cap over (2) the amount of any disbursements of Trustee Fees and Expenses made during the related Due Period pursuant to this paragraph, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account;
 - (C) to the payment of Administrative Expenses up to a maximum amount on any Payment Date equal to the excess, if any, of (1) the Senior Fee Cap over (2) the sum of (I) the amounts paid pursuant to paragraph (B) above on such Payment Date plus (II) the amount of any disbursements of Administrative Expenses made during the related Due Period pursuant to this paragraph, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account, plus (III) the amount of any disbursements of Trustee Fees and Expenses made during the related Due Period pursuant to paragraph (B) above, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account;
 - (D) except upon and after the Payment Date on which the Subordinated Notes are to be redeemed in full, to the payment into the Expense Reserve Account of the amount necessary such that an amount equal to €50,000 is then held in the Expense Reserve Account, up to a maximum amount on any Payment Date equal to the excess, if any, of (1) the Senior Fee Cap over (2) the sum of (I) the amounts paid pursuant to paragraph (B) above on such Payment Date, plus (II) the amount of any disbursements of Administrative Expenses made pursuant to paragraph (C) above on such Payment Date, plus (III) the amount paid into the Expense Reserve Account during the related Due Period pursuant to this paragraph and pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*), plus (IV) the amount of any disbursements of Trustee Fees and Expenses made during the related Due Period pursuant to paragraph (B) above, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account, plus (V) the amount of any disbursements of Administrative Expenses made during the related Due Period pursuant to

paragraph (C) above, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account;

(E) to the payment, in the following order of priority, of:

(I) *first*, on a *pro rata* basis, to the extent not previously reimbursed, to the Advancing Agent and/or the Back-up Advancing Agent, as applicable, the aggregate amount of any Nonrecoverable Interest Advances due and payable to such party in accordance with the Agency Agreement,

(II) *secondly*, to the Advancing Agent or the Back-up Advancing Agent, as applicable, the Advancing Agent Fee, if any, and any previously due but unpaid Advancing Agent Fee (provided that the Advancing Agent or the Back-up Advancing Agent, as applicable, has not failed to make any Interest Advance required to be made in respect of such Payment Date pursuant to the terms of the Agency Agreement) in accordance with the Agency Agreement, up to a maximum amount on any Payment Date equal to the excess, if any, of (1) the Senior Fee Cap over (2) the sum of (I) the amounts paid pursuant to paragraph (B) above on such Payment Date, plus (II) the amount of any disbursements of Administrative Expenses made pursuant to paragraph (C) above on such Payment Date, plus (III) the amount of any payment to the Expense Reserve Account made pursuant to paragraph (D) above on such Payment Date, plus (IV) the amount of any disbursements of the Advancing Agent Fee made during the related Due Period pursuant to this paragraph, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account, plus (V) the amount of any disbursements of Trustee Fees and Expenses made during the related Due Period pursuant to paragraph (B) above, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account, plus (VI) the amount of any disbursements of Administrative Expenses made during the related Due Period pursuant to paragraph (C) above, pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and from the Expense Reserve Account, plus (VII) the amount of any payment to the Expense Reserve Account made during the related Due Period pursuant to paragraph (D) above and pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*),

(III) *thirdly*, on a *pro rata* basis, to the Advancing Agent and the Back-up Advancing Agent (i) to the extent due and payable to such party, Reimbursement Interest and (ii) reimbursement of any outstanding Interest Advances not (in the case of this clause (ii)) to exceed the amount that would result in an Interest Shortfall with respect to such Payment Date;

(F) to the payment to the Portfolio Manager of the Senior Portfolio Management Fee accrued in respect of the related Due Period and due and payable on such Payment Date (including any value added tax due and payable thereon) and of any accrued and unpaid Senior Portfolio Management Fee due and payable but not paid on any prior Payment Dates;

(G) in payment on a *pro rata* basis of (1) any amounts payable to any applicable Hedge Counterparty on a *pro rata* basis upon termination of a Hedge Agreement as a result of the occurrence of a Priority Hedge Termination Event to the extent not paid out of the Hedge Account during the preceding Due Period and (2) any other amounts payable to any applicable Hedge Counterparty on a *pro rata* basis under any Hedge Agreement (including, for the avoidance of doubt, any Perfect Asset Swap Floating Amount then payable), other than amounts due in connection with a termination of such Hedge Agreement or pursuant to paragraph (W) below;

(H) to the payment, in the following order of priority, of:

(I) *first*, on a *pro rata* and *pari passu* basis the Class X Payment Amount and the Interest Amounts (including any Commitment Fee and Break Costs due and payable to the Revolving Credit Facility Provider) due and payable on the Senior Debt; and

(II) *secondly*, the Interest Amounts due and payable on the Class B Senior Notes on a *pro rata* basis,

in each case in respect of the Interest Accrual Period ending on (but excluding) such Payment Date;

(I) in the event either of the Senior Coverage Tests is not satisfied on the related Determination Date to the redemption of first the Senior Debt (other than the Class X Senior Notes) in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*) and then the other Classes of Notes (other than the Class X Senior Notes) in accordance with the Note Payment Sequence, to the extent necessary to cause the Senior Coverage Tests to be met if recalculated following such redemption;

(J) to the payment, in the following order of priority, of the Interest Amounts due and payable on,

(I) *firstly*, the Class C-1 Deferrable Interest Notes on a *pro rata* basis,

(II) *secondly*, the Class C-2 Deferrable Interest Notes on a *pro rata* basis;

(K) in the event either of the Second Senior Coverage Tests is not satisfied on the related Determination Date to the redemption of *first* the Senior Debt (other than the Class X Senior Notes) in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*) and then the other Classes of Notes (other than the Class X Senior Notes) in accordance with the Note Payment Sequence, to the extent necessary to cause the Second Senior Coverage Tests to be met if recalculated following such redemption;

(L) to the payment, in the following order of priority, of that element of the Principal Amount Outstanding of the Class C Deferrable Interest Notes which represents Mezzanine Note Deferred Interest, which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*):

(I) *first*, the Class C-1 Deferrable Interest Notes on a *pro rata* basis,

- (II) *secondly*, the Class C-2 Deferrable Interest Notes on a *pro rata* basis;
- (M) to the payment, in the following order of priority, of the Interest Amounts due and payable on,
 - (I) *firstly*, the Class D-1 Deferrable Interest Notes on a *pro rata* basis;
 - (II) *secondly*, the Class D-2 Deferrable Interest Notes on a *pro rata* basis;
 - (III) *thirdly*, the Class D-3 Deferrable Interest Notes on a *pro rata* basis;

in each case in respect of the Interest Accrual Period ending on (but excluding) such Payment Date;
- (N) in the event either of the Mezzanine Coverage Tests is not satisfied on the related Determination Date, to the redemption of first the Senior Debt (other than the Class X Senior Notes) in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*) and then the other Classes of Notes (other than the Class X Senior Notes) in accordance with the Note Payment Sequence, to the extent necessary to cause the Mezzanine Coverage Tests to be met if recalculated following such redemption;
- (O) to the payment, in the following order of priority, of that element of the Principal Amount Outstanding of the Class D Deferrable Interest Notes which represents Mezzanine Note Deferred Interest, which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*):
 - (I) *first*, the Class D-1 Deferrable Interest Notes on a *pro rata* basis;
 - (II) *secondly*, the Class D-2 Deferrable Interest Notes on a *pro rata* basis;
 - (III) *thirdly*, the Class D-3 Deferrable Interest Notes on a *pro rata* basis;
- (P) on the Payment Date following the Effective Date, in the event of the occurrence of an Effective Date Ratings Downgrade which is continuing on the Business Day prior to such Payment Date the Balance standing to the credit of the Additional Collateral Account as of the Business Day prior to such Payment Date shall be applied to redeem the Senior Debt in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*) and, following redemption in full thereof, to redeem the other Classes of Notes in accordance with the Note Payment Sequence and then Interest Proceeds shall be applied to redeem each Class of Senior Notes and Mezzanine Notes in whole or in part on a *pro rata* basis, or, in each case, if earlier, until the Rating Agencies affirm that each such rating is reinstated to the ratings assigned thereto on the Closing Date;
- (Q) to the payment, in the following order of priority, of the Interest Amounts due and payable on,
 - (I) *firstly*, the Class E-1 Deferrable Interest Notes on a *pro rata* basis;

- (II) *secondly*, the Class E-2 Deferrable Interest Notes on a *pro rata* basis;

in each case in respect of the Interest Accrual Period ending on (but excluding) such Payment Date;

- (R) in the event the Interest Diversion Test is not satisfied on the related Determination Date:

- (I) 50 per cent. of the I/D Test Cure Amount shall be applied to the purchase of Additional Collateral Debt Obligations, and

- (II) 50 per cent. of the I/D Test Cure Amount shall be used to redeem the Class E-1 Deferrable Interest Notes in whole or in part on the related Payment Date in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class E-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis,

in each case until the Interest Diversion Test is satisfied if recalculated following such redemption and/or investment in Additional Collateral Debt Obligations and as described in the Conditions, subject to payment of prior ranking amounts in accordance with the Priorities of Payment;

- (S) to the payment, in the following order of priority, of that element of the Principal Amount Outstanding of the Class E Deferrable Interest Notes which represents Mezzanine Note Deferred Interest, which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*);

- (I) *firstly*, the Class E-1 Deferrable Interest Notes on a *pro rata* basis;

- (II) *secondly*, the Class E-2 Deferrable Interest Notes on a *pro rata* basis;

- (T) in payment on a *pro rata* basis (based on the respective amounts due and payable under the Hedge Agreements immediately prior to termination thereof) of amounts due and payable by the Issuer to any applicable Hedge Counterparty in connection with the entry into a Replacement Hedge Agreement to the extent that such amounts exceed the Hedge Termination Receipts received by the Issuer upon termination of the Hedge Agreement being replaced and to the extent not paid out of the Hedge Account during the preceding Due Period;

- (U) to the payment of Trustee Fees and Expenses (if any) to the extent not paid in full pursuant to paragraph (B) above;

- (V) to the payment of Administrative Expenses (if any) to the extent not paid in full pursuant to paragraph (C) above;

- (W) in payment of any amounts payable to any applicable Hedge Counterparty upon termination of a Hedge Agreement other than as a result of a Priority Hedge Termination Event;

- (X) to the Portfolio Manager in payment of the Subordinated Portfolio Management Fee due and payable on such Payment Date including any value added tax due and payable thereon;

- (Y) to the extent due and payable to the Advancing Agent in reimbursement of any outstanding Cure Advances;
 - (Z) subject to the direction in writing to that effect of the holders of a majority of the Principal Amount Outstanding of the Subordinated Notes, out of the Interest Proceeds that would otherwise be payable to the holders of the Subordinated Notes pursuant to paragraph (AA), to the purchase of Substitute Collateral Debt Obligations or to be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations; and
 - (AA) to the Subordinated Noteholders, interest on an available funds basis out of Interest Proceeds remaining.
- (ii) ***Application of Principal Proceeds:*** Subject to paragraph (iii) (Determination of Amounts) below, Principal Proceeds (including any Principal Sale Proceeds) shall be applied in the following order of priority:
- (A) to the payment of the amounts referred to in paragraphs (A) to (G) (inclusive) of Condition 3(c)(i) (*Application of Interest Proceeds*) above, but only to the extent not paid in full thereunder, provided that the reimbursement of any Interest Advances pursuant to paragraph (E) of Condition 3(c)(i) (*Application of Interest Proceeds*) above shall only be permitted if such reimbursement shall not result in an additional Interest Shortfall;
 - (B) to the payment, in the following order of priority, of:
 - (I) *first*, on a *pro rata* and *pari passu* basis the Class X Payment Amount and the Interest Amounts (including any Commitment Fee and Break Costs due and payable to the Revolving Credit Facility Provider) due and payable on the Senior Debt;
 - (II) *secondly*, the Interest Amounts due and payable on the Class B Senior Notes on a *pro rata* basis; and
 - (III) *thirdly*, on a *pro rata* and *pari passu* basis at the sole discretion of the Issuer repayments of principal amounts outstanding under the Revolving Credit Facility (subject to the Mezzanine Coverage Tests being satisfied),

in each case in respect of the Interest Accrual Period ending on (but excluding) such Payment Date;
 - (C) to the payment of the amounts referred to in paragraphs (I) to (Q) (inclusive) and (S) of Condition 3(c)(i) (*Application of Interest Proceeds*) above, but only to the extent not paid in full thereunder;
 - (D) as follows,
 - (I) during the Reinvestment Period at the discretion of the Portfolio Manager, acting on behalf of the Issuer, either, (x) to the purchase of Substitute Collateral Debt Obligations or to the Principal Account to be designated for reinvestment in Substitute Collateral Debt Obligations at a later date, in each case subject to the Reinvestment Criteria or (y) subject to Condition (7)(e) (*Redemption at the Option of the Portfolio Manager*), as a Special Redemption to redeem the Senior Debt

(in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) and other Classes of Notes on a *pro rata* and *pari passu* basis based on the Deemed Special Redemption Balance of each such Class and the Revolving Credit Facility up to an aggregate maximum amount of €360,000,000;

(II) after expiry of the Reinvestment Period:

- (i) in the case of Principal Sale Proceeds from Credit Risk Obligations, Credit Improved Obligations and Unscheduled Principal Proceeds, at the discretion of the Portfolio Manager, acting on behalf of the Issuer, either, (x) to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date, in each case subject to the Reinvestment Criteria or (y) to the redemption of first the Senior Debt in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*) and then the other Classes of Notes (including any Mezzanine Note Deferred Interest) in accordance with the Note Payment Sequence until the redemption in full thereof; or
 - (ii) in the case of all other Principal Proceeds, to the redemption of first the Senior Debt in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*) and then the other Classes of Notes (including any Mezzanine Note Deferred Interest) in accordance with the Note Payment Sequence until the redemption in full thereof;
- (E) to the payment of the amounts referred to in paragraphs (T) to (Y) (inclusive) of Condition 3(c)(i) (*Application of Interest Proceeds*) above, but only to the extent not paid in full thereunder;
- (F) the remainder of any Principal Proceeds to the Subordinated Noteholders in payment of the principal amount of the Subordinated Notes and, in the event of redemption in full thereof, in payment to the Subordinated Noteholders as additional interest on a *pro rata* basis (determined by reference to the proportion that the original principal amount of the Subordinated Notes held by such Subordinated Noteholder bore to the aggregate Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).
- (iii) **Determination of Amounts:** In determining the amount of any disbursement to be made pursuant to paragraphs (i) (*Application of Interest Proceeds*) and (ii) (*Application of Principal Proceeds*) above, as the case may be, the Portfolio Manager shall procure that no such disbursement shall be made in the event that it would cause any Coverage Test referred to in any paragraph with a higher priority to be breached, if recalculated on a pro forma basis, taking into account such disbursement.
- (iv) **Pari Passu Provisions:** To the extent that the Senior Debt is redeemed pursuant to Condition 3(c) (*Priorities of Payment*), (A) the Class A Senior Notes and the Class X Senior Notes and Drawn Amounts under the Revolving Credit Facility are to be redeemed on a *pro rata* and *pari passu* basis and (B) the Available RCF Balance under the Revolving Credit Facility Agreement will be reduced and cancelled by an amount equal to the sum of the Outstanding principal amount of the Revolving Credit Facility so redeemed. For the avoidance of doubt, where the redemption amount in respect of the Class X Senior Notes and the Class A

Senior Notes has been determined such redemption amount shall be allocated on a *pari passu* basis between the Outstanding principal amount of the Revolving Credit Facility, the Outstanding Class X Senior Notes, the Outstanding Class A Senior Notes and the reduction of the Undrawn and Committed Amount (through the deposit of a commensurate amount into the Unfunded Revolver Reserve Account).

- (v) **Euro:** If the United Kingdom adopts the Euro as its lawful currency, the Trustee, the Portfolio Manager, the Revolving Credit Facility Provider and the Issuer shall consult with each other to ensure that the Priorities of Payment and any other provisions in the Transaction Documents affected by such change are adjusted to reflect such a change, but any such adjustment shall not affect the actual order of the priorities of payment. Any changes so made to reflect the adoption of the Euro shall be communicated to the Noteholders in accordance with Condition 16 (*Notices*), however, Noteholder consent shall not be required for such changes and none of the Issuer, the Trustee, the Portfolio Manager or the Revolving Credit Facility Agent shall incur any liability for making such changes.
- (d) **Non-payment of Amounts:** Save in the case of: (i) the obligation to pay interest on the Senior Debt then Outstanding and the Class B Senior Notes then Outstanding; (ii) the obligation to pay interest on the Controlling Class of Notes following redemption in full of the Senior Debt and the Class B Senior Notes; or (iii) non-payment in full of all of that portion of the principal amount of any Class of Notes on any Redemption Date, the failure on the part of the Issuer to pay any of the amounts referred to in Conditions 3(c)(i) (*Application of Interest Proceeds*) or Condition 3(c)(ii) (*Application of Principal Proceeds*) to the Noteholders or otherwise, by reason solely of the fact that there are insufficient funds standing to the credit of the Payment Account shall not constitute an Event of Default pursuant to Condition 10 (*Events of Default*). Subject always, in the case of Interest Amounts payable in respect of the Mezzanine Notes, to Condition 6(c) (*Deferral of Interest*), in the event of non-payment of any amounts referred to in Conditions 3(c)(i) (*Application of Interest Proceeds*) and 3(c)(ii) (*Application of Principal Proceeds*) of this Condition on any Payment Date (including any Mezzanine Note Deferred Interest), such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition. References to the amounts referred to in Conditions 3(c)(i) (*Application of Interest Proceeds*) and 3(c)(ii) (*Application of Principal Proceeds*) of this Condition shall include any amounts thereof not paid when due in accordance with this Condition on any preceding Payment Date.
- (e) **Determination and Payment of Amounts:** The Collateral Administrator will on each Determination Date calculate the amounts payable on the applicable Payment Date pursuant to Conditions 3(c)(i) (*Application of Interest Proceeds*) and 3(c)(ii) (*Application of Principal Proceeds*) of this Condition and will notify the Portfolio Manager, the Issuer, the Paying Agents, the Account Bank and the Trustee of such amounts in the Note Valuation Report relating to such Determination Date. The Account Bank (acting upon the Note Valuation Report compiled by the Collateral Administrator on behalf of the Issuer) shall on behalf of the Issuer on the Business Day preceding each Payment Date cause the Balances standing to the credit of the Interest Account, the Principal Account and the Expense Reserve Account to the extent required to pay the amounts referred to in paragraphs (i) and (ii) of Condition 3(c) (*Priorities of Payment*) which are payable on such Payment Date to be transferred to the Payment Account in accordance with Condition 3(i) (*Accounts*).
- (f) **De Minimis Amounts:** The Collateral Administrator may, in its absolute discretion, adjust the amounts required to be applied in payment of principal of the Notes from time to time pursuant to the Priorities of Payment so that the amount to be so applied in respect of each Note is a whole amount, not involving any fraction of a cent or part of a Euro.

- (g) **Publication of Amounts:** The Collateral Administrator will cause details as to the amounts of interest and principal paid and any amounts of interest payable but not paid on each Payment Date in respect of the Notes, to be notified to the Trustee, the Principal Paying Agent, the Registrar, the Portfolio Manager and the Irish Paying Agent (which shall inform the Irish Stock Exchange) by no later than the Business Day following the applicable Payment Date and the Principal Paying Agent shall procure that details of such amounts are notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible after notification thereof to the Principal Paying Agent in accordance with the above but in no event later than (to the extent applicable) the second Business Day after the applicable Payment Date.
- (h) **Notifications to be Final:** All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Collateral Administrator, the Trustee, the Paying Agents, the Transfer Agents and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.
- (i) **Accounts:** The Issuer shall, prior to the Closing Date, establish the following accounts with the Account Bank:
- (i) the Principal Account;
 - (ii) the Interest Account;
 - (iii) the Expense Reserve Account;
 - (iv) the Additional Collateral Account;
 - (v) the Payment Account;
 - (vi) the Hedge Account;
 - (vii) the Asset Swap Accounts;
 - (viii) the Unfunded Revolver Reserve Accounts;
 - (ix) the Counterparty Downgrade Collateral Account;
 - (x) the Downgrade Lender Account;
 - (xi) the Semi-Annual Interest Smoothing Account;
 - (xii) the Annual Interest Smoothing Account;
 - (xiii) the Closing Date Expenses Account; and
 - (xiv) the Synthetic Collateral Cash Account.

The Synthetic Collateral Non-Cash Account shall be established by the Issuer on the Closing Date with the Custodian. The Custodian and Account Bank shall at all times be a financial institution which has the Required Ratings and has the necessary regulatory capacity and licences to perform the services required of the Custodian or the Account Bank, as the case may be. In the event that the long term unsecured debt of the Custodian or Account Bank is downgraded below the Required Ratings or such ratings are

withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian or Account Bank, as the case may be, which is acceptable to the Trustee and which satisfies the Required Ratings, is appointed within 30 days of such downgrade in accordance with the provisions of the Agency Agreement and the Issuer shall notify the Rating Agencies of such actions as it takes in regard to appointing such replacement Custodian or, as the case may be, Account Bank.

The Balances standing to the credit of the Accounts from time to time may be invested by the Portfolio Manager on behalf of the Issuer in Eligible Investments with, in each case, Stated Maturities occurring no later than the Business Day prior to the next Payment Date; provided, however that Balances standing to the credit of the Unfunded Revolver Reserve Account or the Synthetic Collateral Account may be invested only in Eligible Investments with Stated Maturities occurring no later than the Business Day prior to the earlier of (i) the next Payment Date and (ii) the earliest date on which the Issuer could be required to use such amounts to make an advance with respect to a Revolving Obligation or Delayed Draw Obligation or make a payment with respect to a Synthetic Security. For the avoidance of doubt, the Balance standing to the credit of any Account shall include any such Eligible Investments from time to time.

(A) Principal Account

The Issuer will procure that the following amounts are paid into the Principal Account promptly upon receipt thereof:

- (a) principal payments in respect of any Collateral Debt Obligation (other than Non-Euro Obligations) including, without limitation, Scheduled Principal Proceeds and Unscheduled Principal Proceeds;
- (b) all principal payments received in respect of any Synthetic Collateral to the extent no longer subject to the security interest of the applicable Synthetic Counterparty;
- (c) any premium receivable upon redemption of any Collateral Debt Obligation (other than Non-Euro Obligations) at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any such Collateral Debt Obligation;
- (d) all scheduled commitment fees received by the Issuer in respect of any Delayed Drawdown Obligations;
- (e) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Delayed Drawdown Obligation in an account established pursuant to an ancillary facility;
- (f) where the Portfolio Manager determines to treat such fees as Principal Proceeds, all amendment and waiver fees, all late payment fees, all commitment fees and all other fees and commissions received in connection with any Collateral Debt Obligations including fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations;
- (g) Principal Sale Proceeds received in respect of Collateral Debt Obligations (other than Non-Euro Obligations);
- (h) the net proceeds of enforcement of the security over the Collateral;
- (i) all amounts transferred to the Principal Account from the Additional Collateral Account, at the discretion of the Portfolio Manager, pursuant to Condition 3(i)(D) (*Additional Collateral Account*) after the Effective Date so long as no Effective Date Ratings Downgrade has occurred;

- (j) amounts transferred to the Principal Account from the Synthetic Collateral Accounts pursuant to paragraph (a) of Condition 3(i)(F) (*Synthetic Collateral Accounts*);
- (k) amounts to be deposited in the Principal Account in accordance with the Priorities of Payment and that the Portfolio Manager has designated for reinvestment in Substitute Collateral Debt Obligations pursuant to the Portfolio Management Agreement;
- (l) amounts to be deposited in the Principal Account pursuant to paragraph (c) of Condition 3(i)(G) (*Hedge Account*);
- (m) any Drawings under the Revolving Credit Facility;
- (n) payments received by the Issuer from an Asset Swap Counterparty under any Asset Swap Transaction in respect of any interim or final principal exchange amount or amounts of the kind described below other than amounts relating to final exchange of principal as a result of a sale of Asset Swap Obligations or recoveries from an Asset Swap Obligation which is a Defaulted Obligation in excess of the higher of the purchase price and the principal amount (including Purchased Accrued Interest and interest that has been capitalized as principal) of such Asset Swap Obligation and which are designated by the Portfolio Manager as Interest Proceeds;
- (o) amounts transferred to the Principal Account from any Asset Swap Account pursuant to Condition 3(i)(K) (*Asset Swap Accounts*);
- (p) any amounts constituting recoveries on Defaulted Obligations except for any such recoveries in excess of the principal amount of the related Defaulted Obligation;
- (q) any interest received to the extent such interest constitutes proceeds from accrued interest purchased with Principal Proceeds;
- (r) all other amounts received by the Issuer in respect of Collateral Debt Obligations (other than Non-Euro Obligations) which do not constitute Interest Proceeds or are not otherwise required to be deposited in another Account pursuant to the Conditions; and
- (s) all amounts transferred to the Principal Account from the Closing Date Expenses Account, at the discretion of the Portfolio Manager, pursuant to paragraph (b) of Condition 3(i)(N) (*Closing Date Expenses Account*);

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Principal Account:

- (a) on the Business Day prior to each Payment Date, the Balance standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) save for:
 - (i) amounts deposited after the end of the related Due Period; and
 - (ii) amounts which the Portfolio Manager is permitted to and has designated for reinvestment in Substitute Collateral Debt Obligations pursuant to the Portfolio Management Agreement;
- (b) at any time in accordance with the terms of, and to the extent permitted under, the Portfolio Management Agreement, in the acquisition of Substitute Collateral Debt Obligations or the posting of Synthetic Collateral upon the acquisition of any Synthetic Securities by the Portfolio Manager, acting on behalf of the Issuer, and excluding in both cases Asset Swap Obligations;
- (c) payment to an Asset Swap Counterparty by the Issuer in respect of any initial principal exchange amounts, payable under an Asset Swap Transaction which relates to a

Substitute Collateral Debt Obligation or an Additional Collateral Debt Obligation (to the extent amounts standing to the credit of the Additional Collateral Account are insufficient);

- (d) all interest accrued on the Principal Account to the Interest Account, excluding for the avoidance of doubt any Purchased Accrued Interest;
- (e) at any time, provided the Mezzanine Coverage Tests are satisfied, in repayment of amounts of principal together with accrued interest and Break Costs in accordance with the Revolving Credit Facility Agreement;
- (f) amounts required for the purchase of Notes pursuant to Condition 7(h) (*Purchase of Notes by the Issuer*);
- (g) amounts equal to the Unfunded Amounts of any Delayed Drawdown Obligations and Revolving Obligations which are required to be deposited in the Unfunded Revolver Reserve Accounts;
- (h) at any time, if any Interest Advance is determined to be a Nonrecoverable Interest Advance, to the payment to the Advancing Agent and/or the Back-up Advancing Agent, as applicable, to the recovery of all outstanding Interest Advances, provided that the reimbursement of a Nonrecoverable Interest Advance will be treated as having been paid first from Interest Proceeds and, then, to the extent Interest Proceeds were insufficient to reimburse such Nonrecoverable Interest Advance, from Principal Proceeds, *provided further* that the Advancing Agent and/or the Back-up Advancing Agent shall be permitted (but not obligated) to defer or otherwise structure the timing of recoveries of Nonrecoverable Interest Advances in such manner as the Advancing Agent and/or the Back-up Advancing Agent determines is in the best interest of the holders of the Revolving Credit Facility and the Noteholders as a whole, which may include being reimbursed for Nonrecoverable Interest Advances in instalments; and
- (i) on any day on which Class A Refinancing Notes are issued, in repayment of such amounts outstanding under the Revolving Credit Facility, together with accrued interest, Commitment Fees and any Break Costs thereon as provided in the Revolving Credit Facility Agreement.

In addition, the holders of a majority of the Subordinated Notes may, but under no circumstances shall be required to, deposit or cause to be deposited from time to time additional funds from external sources in the Principal Account as such holders deem in their sole discretion, to be advisable and by notice to the Trustee and the Issuer may designate such funds to be treated as Principal Proceeds.

(B) Interest Account

The Issuer will procure that the following amounts are paid into the Interest Account promptly upon receipt thereof:

- (a) all cash payments of interest in respect of the Collateral Debt Obligations (other than Non-Euro Obligations and Defaulted Obligations);
- (b) all periodic payments and other payments in the nature of interest received by the Issuer in respect of any Synthetic Collateral to the extent no longer subject to the security interest of the applicable Synthetic Counterparty and periodic payments in the nature of income derived from Synthetic Securities;
- (c) all interest accrued in respect of the Balance standing to the credit of each of the Accounts from time to time;

- (d) except where the Portfolio Manager determines to treat such fees as Principal Proceeds, all amendment and waiver fees, all late payment fees, all commitment fees and all other fees and commission received in connection with any Collateral Debt Obligations (other than Non-Euro Obligations) including fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations;
- (e) all Interest Sale Proceeds received in respect of any Collateral Debt Obligation (other than Non-Euro Obligations), excluding for the avoidance of doubt any Purchased Accrued Interest and interest that has been capitalized as principal and designated by the Portfolio Manager as Interest Proceeds;
- (f) any Sales Proceeds received in connection with the sale of a Collateral Debt Obligation (other than any Non-Euro Obligation or Defaulted Obligation) representing Purchased Accrued Interest purchased with Interest Proceeds;
- (g) all Distributions in relation to a Defaulted Obligation (other than any Non-Euro Obligation) to the extent Distributions and Sale Proceeds in relation to such Defaulted Obligation are in excess of the greater of (i) the Principal Balance of such Defaulted Obligation and (ii) the purchase price paid by the Issuer upon acquisition of such Defaulted Obligation (including any Purchased Accrued Interest), in each case only to the extent designated as interest by the Portfolio Manager, excluding for the avoidance of doubt any Purchased Accrued Interest;
- (h) all amounts transferred to the Interest Account from the Additional Collateral Account, at the discretion of the Portfolio Manager, pursuant to Condition 3(i)(D) (*Additional Collateral Account*) after the Effective Date so long as no Effective Date Ratings Downgrade has occurred;
- (i) all accrued interest included in the issue price of any Note;
- (j) all amounts reimbursed in respect of taxes withheld at source or otherwise deducted to the extent that such withholding or other deduction related to interest payments or payments in the nature of interest;
- (k) amounts transferred to the Interest Account from the Hedge Account pursuant to paragraphs (a) and (b) of Condition 3(i)(G) (*Hedge Account*);
- (l) any other amounts transferred to the Interest Account from any Asset Swap Account pursuant to Condition (3)(i)(K) (*Asset Swap Accounts*);
- (m) any Semi-Annual Interest Smoothing Amount specified pursuant to Condition 3(i)(H) (*Semi-Annual Interest Smoothing Account*);
- (n) any Annual Interest Smoothing Amount specified pursuant to Condition 3(i)(I) (*Annual Interest Smoothing Account*);
- (o) any interest received to the extent such interest constitutes proceeds from accrued interest purchased with Interest Proceeds; and
- (p) any amounts constituting recoveries on Defaulted Obligations in excess of the principal amount of the related Defaulted Obligation.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Interest Account:

- (a) whilst any Senior Notes or Mezzanine Notes are Outstanding, on the Determination Date prior to each Payment Date (x) each Annual Interest Smoothing Amount (if any) relating to the immediately preceding Due Period to the Annual Interest Smoothing Account in accordance with the definition of Annual Interest Smoothing Amount and (y) each Semi-

Annual Interest Smoothing Amount (if any) relating to the immediately preceding Due Period to the Semi-Annual Interest Smoothing Account in accordance with the definition of Semi-Annual Interest Smoothing Amount;

- (b) after the payment of the Interest Smoothing Amounts, if any, to the Interest Smoothing Accounts in accordance with paragraph (a) above on the Business Day prior to each Payment Date, the Balance standing to the credit of the Interest Account to the Payment Account to the extent required for disbursement pursuant to Condition 3(c)(i) (*Application of Interest Proceeds*) (save for amounts deposited after the end of the related Due Period);
- (c) at any time, if any Interest Advance is determined to be a Nonrecoverable Interest Advance, to the payment to the Advancing Agent and/or the Back-up Advancing Agent, as applicable, to the recovery of all outstanding Interest Advances, provided that the reimbursement of a Nonrecoverable Interest Advance will be treated as having been paid first from Interest Proceeds and, then, to the extent Interest Proceeds were insufficient to reimburse such Nonrecoverable Interest Advance, from Principal Proceeds, provided further that the Advancing Agent and/or the Back-up Advancing Agent shall be permitted (but not obligated) to defer or otherwise structure the timing of recoveries of Nonrecoverable Interest Advances in such manner as the Advancing Agent and/or the Back-up Advancing Agent determines is in the best interest of the holders of the Revolving Credit Facility and the Noteholders as a whole, which may include being reimbursed for Nonrecoverable Interest Advances in instalments; and
- (d) on any day on which Class A Refinancing Notes are issued in repayment of such amount outstanding under the Revolving Credit Facility, together with accrued interest and any Break Costs thereon.

In addition, the holders of a majority of the Subordinated Notes may, but under no circumstances shall be required to, deposit or cause to be deposited from time to time additional funds from external sources in the Interest Account as such holders deem in their sole discretion to be advisable and by notice to the Trustee and the Issuer may designate such funds to be treated as Interest Proceeds.

(C) Expense Reserve Account

The Issuer will procure that the following amounts are paid into the Expense Reserve Account:

- (a) on the Closing Date, €50,000; and
- (b) on each Payment Date (other than upon and after the Payment Date on which the Subordinated Notes are to be redeemed in full) the amount of Interest Proceeds required pursuant to paragraph (D) of Condition 3(c)(i) (*Application of Interest Proceeds*) and, to the extent that such amounts are not paid out of Interest Proceeds, the amount of Principal Proceeds required pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Expense Reserve Account:

- (a) on the Business Day prior to each Payment Date the Balance standing to the credit of the Expense Reserve Account to the Payment Account to the extent required for disbursement in accordance with Condition 3(c)(i) (*Application of Interest Proceeds*);
- (b) at any time, in payment by the Collateral Administrator on behalf of the Issuer of any Trustee Fees and Expenses and Administrative Expenses which have accrued and become payable prior to any Payment Date, to the extent applicable, upon receipt of invoices therefor from the relevant creditor; and

- (c) on the Business Day prior to each Payment Date all interest accrued on the Expense Reserve Account to the Interest Account.

(D) Additional Collateral Account

The Issuer shall procure that (a) the proceeds of the issue of the Notes and (b) all proceeds received from any additional issuance of Notes (including Class A Refinancing Notes) that are not invested in Collateral Debt Obligations remaining after repayment of the Credit Facility Loan and the Subordinated Loan, the payment of costs of entry into any Hedge Transaction entered into on or prior the Closing Date, the payment of amounts required to be paid into the Expense Reserve Account and the Closing Date Expenses Account on the Closing Date and the other fees and expenses of the Issuer payable on the Closing Date are paid into the Additional Collateral Account on the Closing Date.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other payment is made) out of the Additional Collateral Account:

- (a) during the Investment Period in accordance with the terms of, and to the extent permitted under, the Portfolio Management Agreement, amounts required in the acquisition of Additional Collateral Debt Obligations, including amounts equal to the Unfunded Amounts of any Delayed Drawdown Obligations and Revolving Obligations to the Unfunded Revolver Reserve Accounts;
- (b) in the event of the occurrence of an Effective Date Ratings Downgrade, the Balance standing to the credit of the Additional Collateral Account shall be transferred on the Business Day prior to the next succeeding Payment Date to the Payment Account and then applied in redemption of the Revolving Credit Facility, the Senior Notes and the Mezzanine Notes in accordance with the Priorities of Payment to the extent necessary to cause such ratings to be reinstated;
- (c) following the Effective Date, so long as no Effective Date Ratings Downgrade has occurred, the Balance standing to the credit of the Additional Collateral Account at the discretion of the Portfolio Manager, acting on behalf of the Issuer, to the Principal Account for reinvestment in Substitute Collateral Debt Obligations;
- (d) on the first Payment Date following the Due Period in which a Special Redemption Notice is given (a "**Special Redemption Date**"), funds on deposit in the Additional Collateral Account which cannot be reinvested in Collateral Debt Obligations up to a maximum in aggregate of €360,000,000 (the "**Special Redemption Amount**") to the Principal Account to be applied in accordance with the Priorities of Payment;
- (e) on the Business Day prior to each Payment Date all interest accrued on the Additional Collateral Account to the Interest Account; and
- (f) amounts required for the purchase of Notes pursuant to Condition 7(h) (*Purchase of Notes by the Issuer*).

(E) Payment Account

The Issuer will procure that on the Business Day prior to each Payment Date (i) the Balance standing to the credit of each of the Interest Account and the Principal Account, together with, to the extent applicable, the Balance standing to the credit of the Expense Reserve Account and the Additional Collateral Account which are required to be transferred to the Payment Account pursuant to paragraphs (A) to (D) (inclusive) of this Condition 3(i) (*Accounts*) are so transferred and (ii) the Advancing Agent or, as the case may be, the Back-up Advancing Agent advances the Interest Advances to be made in respect of such Payment Date into the Payment Account, and, on such Payment Date, the Account Bank, acting on behalf of the Issuer, shall disburse such amounts in accordance with the Priorities of Payment. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(F) Synthetic Collateral Accounts

The Issuer shall procure that sums (including advances under the Revolving Credit Facility (in relation to an Available RCF Balance)) and/or securities posted by the Issuer as Synthetic Collateral to secure the Issuer's obligations under a Synthetic Security pursuant to the terms of such Synthetic Security are paid into separate segregated sub-accounts (each relating to individual Synthetic Counterparties) within the Synthetic Collateral Cash Account (in the case of Synthetic Cash Collateral) and the Synthetic Collateral Non-Cash Account (in the case of Synthetic Non-Cash Collateral).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Synthetic Collateral Accounts:

- (a) all principal payments received in respect of any Synthetic Collateral to the extent no longer subject to the security interest of the applicable Synthetic Counterparty to the Principal Account;
- (b) all payments in the nature of interest received by the Issuer in respect of any Synthetic Collateral to the extent no longer subject to the security interest of the applicable Synthetic Counterparty to the Interest Account;
- (c) in payment of any amounts due and payable by the Issuer under any Synthetic Security; and
- (d) all interest accrued on the Synthetic Collateral Accounts to the Interest Account.

(G) Hedge Account

The Issuer will procure that all amounts received from a Hedge Counterparty are paid into the Hedge Account.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Hedge Account:

- (a) On each Payment Date, all amounts on deposit in the Hedge Account (including any amounts received on such Payment Date) other than any Hedge Termination Receipts, to the Interest Account;
- (b) at any time, any amount payable by the Issuer upon entry into a Replacement Hedge Agreement in accordance with the Portfolio Management Agreement up to an amount equal to the Hedge Termination Receipts received by the Issuer upon termination of the Hedge Agreement which is being replaced except for:
 - (i) in the event that the Portfolio Manager acting on behalf of the Issuer, determines not to replace a Hedge Agreement or certain transactions thereunder; or
 - (ii) if a Hedge Agreement is terminated on a Redemption Date pursuant to Conditions 7(a) (*Final Redemption*), 7(b) (*Optional Redemption*) or 10 (*Events of Default*) and Hedge Termination Receipts are payable on a Redemption Date; or
 - (iii) to the extent that such Hedge Termination Receipts are not required for application towards costs of entry into a Replacement Hedge Agreement, the Balance standing to the credit of the Hedge Account that comprises Hedge Termination Receipts in relation to the Hedge Agreement being terminated and replaced shall be transferred to the Interest Account in accordance with paragraph (k) of Condition 3(i)(B) (*Interest Account*);
- (c) on the Business Day prior to any Redemption Date in the event of redemption of the Revolving Credit Facility and the Notes in whole, all amounts standing to the credit of the

Hedge Account representing amounts received by the Issuer under any Swapped Fixed Rate Collateral Debt Obligation or Swapped Non-Quarterly Pay Collateral Debt Obligation other than any periodic payments or other payments in the nature of interest, shall be transferred to the Principal Account for disbursement as Principal Proceeds in accordance with Condition 3(c)(ii) (*Application of Principal Proceeds*); and

- (d) all interest accrued on the Hedge Account to the Interest Account.

In the event that the Issuer receives any Hedge Replacement Receipt upon entry into a Replacement Hedge Agreement, such amount shall be paid into the Hedge Account and applied directly by the Issuer in payment of any Hedge Termination Payment payable upon termination of the Hedge Agreement being so replaced. To the extent not fully paid out of Hedge Replacement Receipts, any Hedge Termination Payment payable by the Issuer shall be paid to the Hedge Counterparty on the next Payment Date in accordance with the Priorities of Payment. To the extent not required for making any such Hedge Termination Payment, any Hedge Replacement Receipt shall be transferred to the Interest Account, shall constitute Interest Proceeds and shall be distributed in accordance with the Priorities of Payment on the next following Payment Date.

(H) Semi-Annual Interest Smoothing Account

The Issuer shall procure that each Semi-Annual Interest Smoothing Amount (if any) is paid into the Semi-Annual Interest Smoothing Account on the Business Day after each Determination Date. The Issuer shall procure the payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Semi-Annual Interest Smoothing Account (the "**Semi-Annual Interest Smoothing Amounts**"):

- (a) on the Business Day following each Payment Date, the Balance standing to the credit of the Semi-Annual Interest Smoothing Account shall be transferred to the Interest Account; and
- (b) all interest accrued on the Semi-Annual Interest Smoothing Account to the Interest Account.

If, as at a Determination Date (save for a Determination Date following the occurrence of an Event of Default), both:

- (a) Collateral Debt Obligations which are Semi-Annual Pay Obligations or Annual Pay Obligations comprise in aggregate greater than 5 per cent. of the Aggregate Principal Balance as at such Determination Date; and
- (b) the proportion (expressed as a percentage) of (1) the Aggregate Principal Balance of Semi-Annual Obligations which have paid interest during the Due Period ending on or about such Determination Date (the "**Relevant Semi-Annual Obligations**") to (2) the Aggregate Principal Balance of all Semi-Annual Obligations in the Portfolio as at such Determination Date (such proportion, the "**Semi-Annual Total Proportion**") exceeds 50 per cent. (the amount of such excess, the "**Semi-Annual Excess Percentage**"),

then an amount equal to (1) the Semi-Annual Excess Percentage multiplied by (2) a fraction, (a) the numerator of which is the total amount of interest received by the Issuer during such Due Period in respect of the Relevant Semi-Annual Obligations ("**Semi-Annual Interest Received**") and (b) the denominator of which is the Semi-Annual Total Proportion, shall be transferred from the Interest Account to the Semi-Annual Interest Smoothing Account on the Business Day after such Determination Date (such amount to be transferred to the Semi-Annual Interest Smoothing Account, the "**Semi-Annual Interest Smoothing Amount**").

For the purpose of the above, "**Semi-Annual Pay Obligations**" means, at any Determination Date, Collateral Debt Obligations which provide for the payment of interest in cash semi-annually but not including any Swapped Non-Quarterly Pay Collateral Debt Obligations for which the Issuer has received a Rating Agency Affirmation as to not treating such Swapped Non-Quarterly Pay Collateral Debt Obligations as a Semi-Annual Pay Obligation.

The Portfolio Manager will not be permitted to purchase any Semi-Annual Pay Obligations which would not pay interest in the Interest Accrual Period in which they are purchased and the purchase of which would result in a breach in the Coverage Tests on the upcoming Determination Date.

(I) Annual Interest Smoothing Account

The Issuer shall procure that each Annual Interest Smoothing Amount (if any) is paid into the Annual Interest Smoothing Account on the Business Day after each Determination Date. The Issuer shall procure the payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Annual Interest Smoothing Account (the "**Annual Interest Smoothing Amounts**"):

- (a) the amounts specified in Condition 3(i)(I) (*Annual Interest Smoothing*) to the Interest Account on the dates specified therein; and
- (b) all interest accrued on the Annual Interest Smoothing Account to the Interest Account.

If, as at a Determination Date (save for a Determination Date following the occurrence of an Event of Default), both:

- (a) Collateral Debt Obligations which are Annual Pay Obligations or Semi-Annual Pay Obligations comprise in aggregate greater than 5 per cent. of the Aggregate Principal Balance as at such Determination Date; and
- (b) the proportion (expressed as a percentage) of (1) the Aggregate Principal Balance of Annual Obligations which have paid interest during the Due Period ending on or about such Determination Date (the "**Relevant Annual Obligations**") to (2) the Aggregate Principal Balance of all Annual Obligations in the Portfolio as at such Determination Date (such proportion, the "**Annual Total Proportion**") exceeds 25 per cent. (the amount of such excess, the "**Annual Excess Percentage**"),

then an amount equal to (1) the Annual Excess Percentage multiplied by (2) a fraction, (a) the numerator of which is the total amount of interest received by the Issuer during such Due Period in respect of the Relevant Annual Obligations and (b) the denominator of which is the Annual Total Proportion, shall be transferred from the Interest Account to the Annual Interest Smoothing Account on the Business Day after such Determination Date (such amount to be transferred to the Annual Interest Smoothing Account, the "**Annual Interest Smoothing Amount**").

For the purpose of the above, "**Annual Pay Obligations**" means, at any Determination Date, Collateral Debt Obligations which provide for the payment of interest in cash annually but not including any Swapped Non-Quarterly Pay Collateral Debt Obligations for which the Issuer has received a Rating Agency Affirmation as to not treating such Swapped Non-Quarterly Pay Collateral Debt Obligations as an Annual Pay Obligation.

On the Business Day following each of the next three Payment Dates in respect of which an Annual Interest Smoothing Amount has been transferred to the Annual Interest Smoothing Account (each such day, an "**Annual Transfer Date**"), an amount equal to one-third of such Annual Interest Smoothing Amount shall be transferred from the Annual Interest Smoothing Account to the Interest Account; provided that the Portfolio Manager (acting on behalf of the Issuer) may, in its discretion, direct instead that an amount equal to not less than 20 per cent. and not more than 40 per cent. of such Annual Interest Smoothing Amount be transferred from the Annual Interest Smoothing Account to the Interest Account on any such Annual Transfer Date, in which case the Portfolio Manager (acting on behalf of the Issuer) shall also exercise such discretion with respect to determining the proportion of such Annual Interest Smoothing Amount (subject to the minimum of 20 per cent. and the maximum of 40 per cent. above) to be transferred to the Interest Account in respect of one or both (as applicable) of the other Annual Transfer Dates referred to above in order to ensure that the aggregate of such Annual Interest Smoothing Amount transferred to the Interest Account over such three Annual Transfer Dates referred to above is 100 per cent.

The Portfolio Manager will not be permitted to purchase any Annual Pay Obligations which would not pay interest in the Interest Accrual Period in which they are purchased and the purchase of which would result in a breach in the Coverage Tests on the upcoming Determination Date.

(J) Unfunded Revolver Reserve Accounts

The Issuer shall procure the following amounts are paid into the applicable Unfunded Revolver Reserve Account:

- (a) upon the acquisition by or on behalf of the Issuer of any Delayed Drawdown Obligation or Revolving Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Accounts to be at least equal to the sum of (1) the combined aggregate principal amounts of the Unfunded Amounts under each of the Delayed Drawdown Obligations and Revolving Obligations (which Unfunded Amounts shall be treated as part of the purchase price for the related Delayed Drawdown Obligation or Revolving Obligations, as applicable) less (2) any Undrawn and Committed Amount under the Revolving Credit Facility and less (3) amounts posted as collateral for any Unfunded Amounts pursuant to paragraph (a) below (and which do not constitute funded amounts);
- (b) all principal payments received by the Issuer in respect of any Delayed Drawdown Obligation or Revolving Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Delayed Drawdown Obligation or Revolving Obligation if required, pursuant to any relevant Asset Swap Transaction or otherwise by the Portfolio Manager; and
- (c) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to paragraph (a) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the applicable Unfunded Revolver Reserve Account:

- (a) all amounts required to fund any drawings under any Delayed Drawdown Obligation or Revolving Obligation, or (subject to receipt of Rating Agency Affirmation) required to be deposited in the Issuer's name with (1) any third party as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Delayed Drawdown Obligation or Revolving Obligation (subject to such security documentation as may be agreed between such lender, the Portfolio Manager, and the Trustee) or (2) with any obligor as security for the Issuer's obligations to fund any drawings under the related Delayed Drawdown Obligation or Revolving Obligation;
- (b) at any time at the discretion of the Portfolio Manager (1) upon an increase in the Undrawn and Committed Amount under the Revolving Credit Facility Agreement or (2) upon the sale (in whole or in part) of a Delayed Drawdown Obligation or Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, to the extent that such obligation was to have been funded from the Unfunded Revolver Reserve Accounts, any excess of (x) the amount standing to the credit of the Unfunded Revolver Reserve Accounts over (y) the sum of the Unfunded Amounts of all Delayed Drawdown Obligations or Revolving Obligations, after taking into account such increase or sale, reduction, cancellation or expiry of commitment, (i) if such excess amount is denominated in Euros to the Principal Account, or (ii) if such excess is denominated in another currency, to the applicable Asset Swap Counterparty;
- (c) all initial principal exchange amounts scheduled to be paid by the Issuer to an Asset Swap Counterparty under any Asset Swap Transaction which relates to any Delayed Drawdown Obligation or Revolving Obligation on the scheduled date for payment thereof; and

- (d) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Accounts from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account.

(K) Asset Swap Accounts

The Issuer shall procure that (a) all amounts received in respect of any Non-Euro Obligations (including all Sale Proceeds relating thereto), (b) initial principal exchange amounts received from the Asset Swap Counterparty, (c) Asset Swap Termination Receipts and (d) Asset Swap Replacement Receipts are paid into the appropriate Linked Account of the Asset Swap Accounts.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the appropriate Linked Account of the Asset Swap Accounts:

- (a) at any time, to the extent of any initial principal exchange amount (as reduced by amounts paid under (c) below) deposited into the Asset Swap Account by an Asset Swap Counterparty in accordance with the terms of, and to the extent permitted under the Portfolio Management Agreement, in the acquisition of Non-Euro Obligations;
- (b) at any time, all amounts payable by the Issuer to an Asset Swap Counterparty under any Asset Swap Transaction;
- (c) amounts payable to the appropriate Unfunded Revolver Reserve Accounts with respect to the acquisition of Non-Euro Obligations which are Delayed Drawdown Obligations or Revolving Obligations;
- (d) any time, in the case of any Asset Swap Replacement Receipts paid into the Asset Swap Account, in payment of Asset Swap Termination Payments under the Asset Swap Agreement being replaced;
- (e) at any time, in the case of any Asset Swap Replacement Receipts paid into the Asset Swap Account, to the extent that such amount exceeds the sum required to make any Asset Swap Termination Payment under the Asset Swap Agreement being replaced in payment of such excess amounts to the Principal Account;
- (f) at any time, in the case of any Asset Swap Termination Receipts paid into the Interest Account, in payment of Asset Swap Replacement Payments payable by the Issuer upon entry into a Replacement Asset Swap Agreement in accordance with the Portfolio Management Agreement;
- (g) in the case of any Asset Swap Termination Receipts paid into the Asset Swap Account in the event that:
 - (1) the Issuer, acting on the advice of the Portfolio Manager, determines not to replace the Asset Swap Agreement and Rating Agency Affirmation is received in respect of such determination; or
 - (2) termination of the Asset Swap Agreement under which such Asset Swap Termination Receipts are payable occurs on a Redemption Date; or
 - (3) to the extent that such Asset Swap Termination Receipts are not required for application towards costs of entry into a Replacement Asset Swap Agreement in payment of such amount (save for accrued interest thereon) to the Principal Account;

Pursuant to the Portfolio Management Agreement, the Portfolio Manager (acting on behalf of the Issuer) will enter into foreign exchange transactions to convert any non-Euro amounts not covered by Asset Swap Transactions into Euro on the date of receipt thereof and will pay such converted amounts into the Interest Account or Principal Account, as appropriate, as determined by whether such cash receipt, if paid on a

Euro denominated Collateral Debt Obligation would be paid into the Interest Account or the Principal Account.

(L) Counterparty Downgrade Collateral Account

The Issuer shall procure that all Counterparty Downgrade Collateral shall be deposited in the Counterparty Downgrade Collateral Account. All Counterparty Downgrade Collateral deposited from time to time in the Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms of the applicable Hedge Agreement.

(M) Downgrade Lender Account

In the event a Revolving Facility Provider does not meet its Required Rating such Revolving Credit Facility Provider may pursuant to the terms of the Revolving Credit Facility Agreement deposit an amount equal to the aggregate of its Available RCF Balance and its Undrawn and Committed Amount into a Downgrade Lender Account. Amounts standing to the credit of a Downgrade Lender Account may be withdrawn in accordance with the terms of the Revolving Credit Facility Agreement.

(N) Closing Date Expenses Account

The Issuer shall procure that approximately €10,000,000 of the proceeds of the issue of the Notes is paid into the Closing Date Expenses Account on the Closing Date.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other payment is made) out of the Closing Date Expenses Account as follows:

- (a) at any time during the period from the Closing Date until the Determination Date falling in June 2008 at the direction of the Portfolio Manager in payment of expenses incurred by the Issuer relating to the establishment of the Issuer or the issuance of the Notes; and
- (b) on the Determination Date falling in June 2008, the Balance standing to the credit of the Closing Date Expenses Account at the discretion of the Portfolio Manager, acting on behalf of the Issuer, to the Principal Account for application as Principal Proceeds on such Payment Date in accordance with the Priorities of Payment.

4. Security

- (a) **Security:** Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class, the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, the Collateral Administration Agreement, the Corporate Services Agreement, any Interest Rate Hedge Agreements, the Revolving Credit Facility Agreement, the Perfect Asset Swap Arrangement, the Subscription Agreement and any Asset Swap Agreements (together with the obligations owed by the Issuer to the other Secured Parties secured by the Trust Deed) are secured in favour of the Trustee for the benefit of the Secured Parties by:
 - (i) an assignment by way of first fixed security of the Issuer's right, title and interest (present and future) in respect of all Collateral Debt Obligations and Eligible Investments from time to time (where such obligations are contractual rights other than contractual rights the assignment of which is not practicable or would require consent of a third party and other than any such right, title and interest as is effectively and validly pledged under the Euroclear Pledge Agreement) including, without limitation, all monies received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

- (ii) a first fixed charge and first priority security interest granted over all the Issuer's right, title and interest (present and future) in respect of all Collateral Debt Obligations and Eligible Investments from time to time (where such obligations are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above), including, without limitation, all monies received or receivable in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;
- (iii) a first fixed charge and a first priority security interest over all right, title and interest (present and future) of the Issuer in respect of each of the Accounts (other than the Synthetic Collateral Accounts and all interest accrued and other monies received in respect thereof) and all monies from time to time standing to the credit of the Accounts (other than the Synthetic Collateral Accounts) and the debts represented thereby and including, without limitation, all interest accrued and other monies received in respect thereof;
- (iv) a first fixed charge and first priority security interest, subject to any prior security interest of any Synthetic Counterparty, over all the right, title and interest (present and future) of the Issuer in respect of any Synthetic Collateral including, without limitation, all monies received or receivable in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the Synthetic Collateral Accounts and all monies from time to time standing to the credit of the Synthetic Collateral Accounts and the debts represented thereby;
- (v) an assignment by way of first fixed security of the Issuer's right, title and interest (present and future) against the Custodian under the Agency Agreement and a first fixed charge over the Custody Account (including each cash account relating to the Custody Account, any cash held therein and the debt represented thereby);
- (vi) an assignment by way of first fixed security of all of the Issuer's right, title and interest (present and future) under any Asset Swap Agreement and any Interest Rate Hedge Agreement (including the Issuer's right under any guarantee or credit support annex entered into pursuant thereto provided that such assignment shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);
- (vii) an assignment by way of first fixed security of the Issuer's right, title and interest (present and future) under the Portfolio Management Agreement;
- (viii) an assignment by way of first fixed security of the Issuer's right, title and interest (present and future) under the Collateral Administration Agreement;
- (ix) a first fixed charge over all monies held from time to time by the Principal Paying Agent or Transfer Agents for payment of principal, interest or other amounts on the Notes (if any);
- (x) an assignment by way of first fixed security of the Issuer's right, title and interest (present and future) under the Agency Agreement;
- (xi) an assignment by way of first fixed security of the Issuer's right, title and interest (present and future) under the Revolving Credit Facility Agreement; and
- (xii) a floating charge over the whole of the Issuer's undertaking and assets (other than the Issuer Irish Account) to the extent that such undertaking and assets are

not subject to any other security referred to in this Condition 4 (*Security*), the Trust Deed or the Euroclear Pledge Agreement, created under English law.

The Issuer may from time to time grant security:

- (i) by way of a first priority security interest to a Synthetic Counterparty over the Synthetic Collateral deposited by the Issuer in the Synthetic Collateral Accounts as security for the Issuer's obligations under a Synthetic Security CDS entered into with such Synthetic Counterparty;
- (ii) by way of a first priority security interest to a Hedge Counterparty over the Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay or redeem such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement (subject to such security documentation as may be agreed between such third party, the Portfolio Manager acting on behalf of the Issuer, and the Trustee); or
- (iii) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Delayed Drawdown Collateral Obligation or Revolving Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(i)(J) (*Unfunded Revolver Reserve Accounts*).

The Trust Deed provides that paragraph 14 of schedule B1 to the Insolvency Act 1986 (as amended) of the UK applies to the floating charge described in this Condition 4.

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian in accordance with the Agency Agreement until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. In the event that the long term senior unsecured debt or the short term senior unsecured debt of the Custodian is rated below the applicable Required Ratings or its long term debt rating is withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement custodian is appointed who is acceptable to the Trustee and whose long term senior unsecured debt and short term senior unsecured debt is rated not less than the Required Ratings, in accordance with the provisions of the Agency Agreement.

Pursuant to the terms of the Trust Deed the Trustee is exempt from any liability in respect of any loss or theft of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for the management of the Portfolio by the Portfolio Manager or to supervise the administration of the Portfolio by the Collateral Administrator or any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

The Trust Deed further provides that if for any reason the assignment by way of security or any of the Collateral is found to be ineffective, the Issuer shall hold the benefit of such Collateral and any sums received in respect of such Collateral or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure the Collateral on trust for the Trustee and shall (a) account to the Trustee for or otherwise apply such sums as the Trustee may direct (provided that, subject to the conditions and terms of the Portfolio Management Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Collateral and such sums received by it and held on trust pursuant to the Trust Deed without prior direction from the Trustee), (b) exercise any rights it may have in respect of the Collateral at the direction of the Trustee and (c) at its own cost take such action and execute such documents in connection with the foregoing as the Trustee may in its sole discretion require.

Pursuant to the Euroclear Pledge Agreement, the Issuer has also created a Belgian law pledge over the Issuer's entitlement to the Collateral Debt Obligations from time to time held in Euroclear.

- (b) ***Application of Proceeds upon Enforcement:*** The Trust Deed provides that the net proceeds of realisation of, or enforcement with respect to, the security over the Collateral constituted by the Trust Deed and the Euroclear Pledge Agreement shall be applied in accordance with the Priorities of Payment (in the case of any amounts payable pursuant to paragraph (B) of Condition 3(c)(i), without giving effect to the Senior Fee Cap).
- (c) ***Limited Recourse:*** If the net proceeds of realisation of the security constituted by the Trust Deed and the Euroclear Pledge Agreement upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed and the Euroclear Pledge Agreement are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Transaction Creditors (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Transaction Creditors in such circumstances will be limited to such net proceeds which shall be applied in accordance with the Priorities of Payment. In such circumstances the other assets (if any) of the Issuer will not be available for payment of such shortfall which shall be borne by the Transaction Creditors in accordance with the Priorities of Payment (applied in reverse order), the rights of the Transaction Creditors to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Transaction Creditors may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Transaction Creditors (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or any of its directors or officers, or join in any institution against the Issuer or any of its directors or officers of, any bankruptcy, reorganisation, arrangement, insolvency, winding-up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Transaction Creditors, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer or any of its directors or officers.

None of the Trustee, the Directors, the Managers, the Portfolio Manager, the Collateral Administrator or the Custodian has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of such Class. In addition, none of the Noteholders of any Class nor any of the other Secured Parties shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of these Conditions, the Trust Deed or any other document relating to the Notes to which the Issuer is a party or any notice of documents which it is requested to deliver hereunder or thereunder.

- (d) ***Acquisition and Sale of Portfolio:*** The Portfolio Manager is required to manage the Portfolio and act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in, the Portfolio Management Agreement. The duties of the Portfolio Manager in managing the Portfolio include: (i) acting on behalf of the Issuer in relation to the Collateral Debt Obligations to be purchased on or prior to the Closing Date; (ii) the acquisition on behalf of the Issuer during the Investment Period of Additional Collateral Debt Obligations pursuant to the Portfolio Management Agreement; (iii) the investment in Eligible Investments; (iv) the sale of certain of the Collateral Debt Obligations during the Reinvestment Period and thereafter; (v) in certain circumstances the acquisition of Substitute Collateral Debt Obligations; and (vi) the conducting of Auctions. The Portfolio Manager is required to monitor the Collateral Debt Obligations with a view to seeking to determine whether any Collateral Debt Obligation has become a Credit Improved Obligation, Defaulted Obligation or Credit Risk Obligation, provided that, if it fails to do so, except by reason of acts constituting bad faith, wilful misconduct or negligence in the performance of its

obligations, no Noteholder, shall have any recourse against any of the Issuer, the Portfolio Manager, the Collateral Administrator, the Paying Agents, the Transfer Agents, the Custodian, the Registrar or the Trustee for any loss suffered as a result of such failure.

- (e) ***Exercise of Rights in Respect of the Portfolio:*** Pursuant to the Portfolio Management Agreement, the Issuer authorises the Portfolio Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio on behalf of the Issuer. In particular, the Portfolio Manager is authorised, subject to the terms of the Portfolio Management Agreement, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree to any composition, compounding or other similar arrangement with respect to any obligation forming part of the Portfolio.
- (f) ***Information Regarding the Portfolio:*** The Issuer shall procure that a Monthly Report and Note Valuation Report is mailed upon publication thereof by pre-paid first class post to the Trustee and to each Noteholder of each Class upon request in writing therefore (to the address specified in such request).

5. Covenants of and Restrictions on the Issuer

- (a) ***Covenants of the Issuer:*** As more fully described in the Trust Deed, for so long as any of the Notes remains Outstanding, the Issuer covenants to the holders of such Outstanding Notes that it will:
 - (i) take such steps as are reasonable to enforce all its rights:
 - (A) under the Trust Deed;
 - (B) in respect of the Collateral;
 - (C) under the Agency Agreement;
 - (D) under the Portfolio Management Agreement and the Collateral Administration Agreement;
 - (E) under the Corporate Services Agreement;
 - (F) under each Hedge Agreement;
 - (G) under the Euroclear Pledge Agreement;
 - (H) under the Revolving Credit Facility Agreement; and
 - (I) under any Asset Swap Agreement.
 - (ii) comply with its obligations under the Notes, the Trust Deed, the Revolving Credit Facility Agreement, the Agency Agreement, the Portfolio Management Agreement, the Collateral Administration Agreement, the Perfect Asset Swap Arrangement, the Corporate Services Agreement, the Euroclear Pledge Agreement, each Hedge Agreement, each Asset Swap Agreement, the Synthetic Collateral and its constitutional documents;
 - (iii) keep proper books of account;

- (iv) at all times maintain its residence for the purposes of taxation outside the United Kingdom and the United States and will not establish a permanent establishment or place of business or register as a company in the United Kingdom or the United States, other than pursuant to the Transaction Documents;
 - (v) pay its debts generally as they fall due;
 - (vi) do all such things as are necessary to maintain its corporate existence;
 - (vii) use its best endeavours to obtain and maintain a listing of the Outstanding Notes on the Official List of the Irish Stock Exchange for trading on its regulated market. If however, it is unable to do so, having used such endeavours, or if the maintenance of such listing is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide or failing such decision as the Trustee may determine; and
 - (viii) supply such information to each Rating Agency as it may reasonably request.
- (b) ***Restrictions on the Issuer:*** As more fully described in the Trust Deed, for so long as any of the Notes remains Outstanding, save as contemplated in the Transaction Documents the Issuer covenants to the holders of such Outstanding Notes that it will not, without the prior written consent of the Trustee:
- (i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral other than in accordance with the Trust Deed and the Euroclear Pledge Agreement and/or as expressly contemplated pursuant to the Portfolio Management Agreement and other than in respect of Synthetic Collateral;
 - (ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed and the Euroclear Pledge Agreement and other than in respect of Synthetic Collateral;
 - (iii) engage in any business other than:
 - (A) acquiring, managing, holding, selling or disposing of the Collateral that is capable of being charged in favour of the Trustee under the Trust Deed and/or the Euroclear Pledge Agreement;
 - (B) issuing and performing its obligations under the Notes;
 - (C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, the Collateral Administration Agreement, the Corporate Services Agreement, each Hedge Agreement, the Euroclear Pledge Agreement, the Synthetic Collateral and its constitutional documents, as applicable; or
 - (D) performing any act incidental to or necessary in connection with any of the above;

- (iv) amend any term or condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);
- (v) agree to any amendment to any provision of or grant any waiver or consent under the Trust Deed, the Portfolio Management Agreement, the Collateral Administration Agreement, the Corporate Services Agreement, the Agency Agreement, any Hedge Agreement or the Euroclear Pledge Agreement;
- (vi) incur any indebtedness for borrowed money, other than indebtedness in respect of the Notes (including the issuance of any additional Notes pursuant to Condition 19 (*Further Issues*)) or the Revolving Credit Facility, indebtedness (including in respect of a Synthetic Security in respect of which Synthetic Collateral has been provided) in respect of any document entered into in connection with the Notes or the sale thereof, or indebtedness otherwise permitted pursuant to the Trust Deed;
- (vii) amend its constitutional documents;
- (viii) have any subsidiaries;
- (ix) have any employees (for the avoidance of doubt, the Directors do not constitute employees of the Issuer);
- (x) enter into any reconstruction, amalgamation, merger or consolidation;
- (xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions and except for dividends payable to Deutsche International Finance (Ireland) Limited, as share trustee (the "**Share Trustee**");
- (xii) issue any shares (other than such shares as are in issue as at the Closing Date) nor redeem or purchase any of its issued share capital;
- (xiii) otherwise than as contemplated in these Conditions or the Trust Deed release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement, the Portfolio Manager or the Collateral Administrator under the Portfolio Management Agreement or the Collateral Administration Agreement (as applicable) or, in each case, from any executory obligation thereunder; or
- (xiv) enter into any lease in respect of, or own, premises.

In addition, for so long as any of the Notes remains Outstanding, the Issuer covenants to the holders of such Outstanding Notes that it will maintain its "centre of main interests" (within the meaning of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings which came into force on 31 May 2002) in Ireland and will not open any "centre of main interests" or have any "establishment" (within the meaning of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings which came into force on 31 May 2002) outside Ireland.

The Revolving Credit Facility Agreement contains, inter alia, representations, warranties and covenants in favour of the Revolving Credit Facility Provider and all other parties to the Revolving Credit Facility Agreement including and additional to the nature of the representations, warranties and covenants in favour of the Trustee.

6. Interest

- (a) **Payment Dates:** The Senior Notes (other than the Class A Refinancing Notes) and the Mezzanine Notes each bear interest from the Closing Date and such interest will be payable quarterly in arrear on each Payment Date. The Class A Refinancing Notes will bear interest from their issue date at the same rate as the Class A Senior Notes and such interest will be quarterly in arrear on each Payment Date.
- (b) **Interest Accrual:**
- (i) The Senior Notes (other than the Class A Refinancing Notes) and Mezzanine Notes bear interest on their Principal Amount Outstanding from the Closing Date. The Class A Refinancing Notes, if any, will bear interest on their Principal Amount Outstanding from their issue date.
- (ii) Each Senior Note and Mezzanine Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day seven days after the Trustee or the Registrar has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).
- (c) **Deferral of Interest:** For so long as any more senior Notes remain Outstanding, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of each Class of Mezzanine Notes (other than any such Class of Mezzanine Notes that is the most senior Class of Notes) in full on any Payment Date to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment. For so long as any more senior Notes remain Outstanding, an amount of interest equal to any shortfall in payment of the Interest Amount due and payable in respect of each Class of Mezzanine Notes (other than any such Class of Mezzanine Notes that is the most senior Class of Notes) on any Payment Date (each such amount being referred to as "Mezzanine Note Deferred Interest") shall be deferred and shall, with effect from and including such Payment Date, be added to the aggregate principal amount of such Class of Mezzanine Notes and the principal amount of such Mezzanine Note shall be increased by the amount of its *pro rata* share of the Mezzanine Note Deferred Interest applicable to such Class which shall itself bear interest compounded quarterly in accordance with these Conditions at the Floating Rate of Interest.
- (d) **Payment of Deferred Interest:**
- Mezzanine Note Deferred Interest shall only become payable by the Issuer in accordance with, respectively, paragraph (L) (in the case of the Class C Deferrable Interest Notes), paragraph (O) (in the case of the Class D Deferrable Interest Notes) and paragraph (Q) (in the case of the Class E Deferrable Interest Notes) of Condition 3(c)(i) (*Application of Interest Proceeds*) and paragraph (A) (of Condition 3(c)(ii) (*Application of Principal Proceeds*)) to the extent that Interest Proceeds or Principal Proceeds are available to make such payment in accordance with the Priorities of Payment.
- (e) **Interest on the Senior Notes and Mezzanine Notes:**
- (i) **Rate of Interest applicable to the Senior Notes and Mezzanine Notes:** Subject as provided in paragraph (iii) (Reference Banks and Calculation Agent) below, the

rate of interest from time to time in respect of the Senior Notes and the Mezzanine Notes (the "**Floating Rate of Interest**"), will be determined by the Calculation Agent on the following basis:

- (A) On the second TARGET Settlement Day before the beginning of each Interest Accrual Period (the "**Interest Determination Date**"), the Calculation Agent will determine the offered rate for three-month Euro deposits as at 11.00 am (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page 248 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Floating Rate of Interest for such Interest Accrual Period shall be the aggregate of the relevant Margin (as defined in this Condition below) and the rate which so appears per annum all as determined by the Calculation Agent.
- (B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) above shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro-zone interbank market acting in each case through its principal Euro-zone (as defined in paragraph (D) below) office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for Euro deposits in the Euro-zone interbank market for a period of three months (the "**EURIBOR Period**") as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Floating Rate of Interest for such Interest Accrual Period shall be the aggregate of the relevant Margin and the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards)) of such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent.
- (C) If on any Interest Determination Date one only or none of the Reference Banks provides such quotation, the Floating Rate of Interest for the next Interest Accrual Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards)) of the Euro lending rates which major banks in the Euro-zone selected by the Calculation Agent are quoting, on the relevant Interest Determination Date, for loans in Euro for a period of three months to leading European banks plus the relevant Margin.
- (D) Where:

"**Euro-zone**" means the region comprised of Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community; "**Margin**" means 0.35 per cent. per annum in respect of the Class X Senior Notes, 0.28 per cent. per annum in respect of the Class A Senior Notes, 0.41 per cent. per annum in respect of the Class B Senior Notes, 1.00 per cent. per annum in respect of the Class C-1 Deferrable Interest Notes, 1.25 per cent. per annum in respect of the Class C-2 Deferrable Interest Notes, 1.60 per cent. per annum in respect of the Class D-1 Deferrable Interest

Notes, 1.75 per cent. per annum in respect of the Class D-2 Deferrable Interest Notes, 2.00 per cent. per annum in respect of the Class D-3 Deferrable Interest Notes; 3.50 per cent. per annum in respect of the Class E-1 Deferrable Interest Notes and 3.75 per cent. per annum in respect of the Class E-2 Deferrable Interest Notes;

- (ii) ***Determination of Floating Rate of Interest and Calculation of Interest Amount:*** The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the second TARGET Settlement Day after such date, determine the Floating Rate of Interest and calculate the Interest Amount payable in respect of each Note. The Interest Amount in respect of each Note shall be calculated by applying the Floating Rate of Interest to an amount equal to the Principal Amount Outstanding of each such Note, multiplying the product by the actual number of days in the Interest Accrual Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).
- (iii) ***Reference Banks and Calculation Agent:*** The Issuer will procure that, so long as any Senior Note or Mezzanine Note remains Outstanding:
 - (A) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Senior Notes and Mezzanine Notes; and
 - (B) in the event that the Floating Rate of Interest is to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Rate of Interest applicable to the Senior Notes and Mezzanine Notes*), that the number of Reference Banks required pursuant to such Condition are appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder, or fails duly to establish the Floating Rate of Interest for any Interest Accrual Period or to calculate the Interest Amount on the Senior Notes or the Mezzanine Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

- (f) ***Interest on the Subordinated Notes:*** The Subordinated Notes will be entitled to interest on an available funds basis out of Interest Proceeds and Principal Proceeds remaining following prior payment in accordance with the Priorities of Payment of certain fees and expenses, other prior ranking payments and amounts payable in respect of the Revolving Credit Facility, the Senior Notes and the Mezzanine Notes.
- (g) ***Publication of Floating Rates of Interest and Interest Amounts:*** The Calculation Agent will cause the Floating Rate of Interest, the Interest Amount payable in respect of each Class of Notes for each Interest Accrual Period and Payment Date, and any Mezzanine Note Deferred Interest, to be notified to the Paying Agents, the Trustee, the Portfolio Manager and the Irish Paying Agent (which shall inform the Irish Stock Exchange) as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts, Payment Date and any Mezzanine Note Deferred Interest so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period. If any of the Notes or the Revolving Credit Facility become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in

accordance with this Condition but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

- (h) ***Determination or Calculation by Trustee:*** If the Calculation Agent does not at any time for any reason so determine the Floating Rate of Interest or calculate the Interest Amounts payable in respect of each Class of Notes for an Interest Accrual Period, the Trustee (or a person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and in reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation it is required to make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).
- (i) ***Notifications, etc. to be Final:*** All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Collateral Administrator, the Trustee, the Paying Agents, the Transfer Agents and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.
- (j) ***Revolving Credit Interest Rate:*** Interest on the Revolving Credit Facility Agreement will accrue at the rate per annum determined by the Revolving Credit Facility Agent to be the Revolving Credit Interest Rate. If the Issuer fails to pay any amount in accordance with the Revolving Credit Facility Agreement, default interest shall accrue on such amount at the Revolving Credit Interest Rate.
- (k) ***Class X Payment Amount:*** With respect to each Payment Date to and including the Payment Date falling in September 2013, the Class X Senior Notes shall, unless redeemed in full prior to such Payment Date, provide for an amount of interest for the related Interest Accrual Period calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with this Condition (the "**Class X Interest Amount**").

With respect to each Payment Date, the Class X Senior Notes will provide for an amount of principal payments for the Class X Senior Notes (the "**Class X Principal Amount**") which shall be specified in the schedule set forth below:

Period	Payment Date	Class X Principal Payment	Aggregate Principal Amount Outstanding
0	31 July 2007	€0.00	€10,000,000.00
1	20 December 2007	€33,333.33	€9,166,666.67
2	20 March 2008	€16,666.67	€8,750,000.00
3	20 June 2008	€16,666.67	€8,333,333.33
4	20 September 2008	€16,666.67	€7,916,666.67

5	20 December 2008	€16,666.67	€7,500,000.00
6	20 March 2009	€16,666.67	€7,083,333.33
7	20 June 2009	€16,666.67	€6,666,666.67
8	20 September 2009	€16,666.67	€6,250,000.00
9	20 December 2009	€16,666.67	€5,833,333.33
10	20 March 2010	€16,666.67	€5,416,666.67
11	20 June 2010	€16,666.67	€5,000,000.00
12	20 September 2010	€16,666.67	€4,583,333.33
13	20 December 2010	€16,666.67	€4,166,666.67
14	20 March 2011	€16,666.67	€3,750,000.00
15	20 June 2011	€16,666.67	€3,333,333.33
16	20 September 2011	€16,666.67	€2,916,666.67
17	20 December 2011	€16,666.67	€2,500,000.00
18	20 March 2012	€16,666.67	€2,083,333.33
19	20 June 2012	€16,666.67	€1,666,666.67
20	20 September 2012	€16,666.67	€1,250,000.00
21	20 December 2012	€16,666.67	€833,333.33
22	20 March 2013	€16,666.67	€416,666.67
23	20 June 2013	€16,666.67	€0.00

On each Payment Date, the Class X Interest Amount and the Class X Principal Amount shall be paid on a combined basis (such combined amount, the "**Class X Payment Amount**") in accordance with the relevant Priorities of Payment. The Class X Payment Amount shall be payable *pro rata* with the Interest Amount with respect to the Class A Senior Notes, and interest, the Commitment Fee, Revolving Facility Additional Amounts and Break Costs with respect to the Revolving Credit Facility, as described herein.

The payment of the Class X Payment Amount shall reduce the Aggregate Principal Amount Outstanding of the Class X Senior Notes to the extent of the Class X Principal Amount.

7. Redemption and Purchase

- (a) **Final Redemption:** Save to the extent previously redeemed and cancelled, the Notes of each Class will be redeemed (or, in the case of the Revolving Credit Facility, repaid) on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Senior Notes and the Mezzanine Notes will be redeemed (or, in the case of the Revolving Credit Facility, repaid) at their Principal Amount Outstanding and the Subordinated Notes will be redeemed at an amount equal to the remaining Principal Proceeds to be applied towards such redemption pursuant to

paragraph (F) of Condition 3(c)(ii) (*Application of Principal Proceeds*). Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) **Optional Redemption**

- (i) **Redemption at the Option of the Subordinated Noteholders:** Subject to the provisions of Condition 7(b)(ii) (*Conditions to Optional Redemption*), the Revolving Credit Facility, the Senior Notes, the Mezzanine Notes and the Subordinated Notes shall be redeemed by the Issuer, in whole but not in part, at the applicable Redemption Prices, from the proceeds of liquidation or realisation of the Collateral (after the payment of, or establishment of a reasonable reserve for, all administrative and other fees and expenses payable pursuant to the Priorities of Payments) (x) on any Payment Date falling on or after expiry of the Non-Call Period, commencing on the Payment Date in June 2010 or (y) upon the occurrence of a Relevant Tax Event on any Payment Date falling after such occurrence, in each case, at the request in writing of the holders of a majority of the Subordinated Notes Outstanding as evidenced by duly completed Redemption Notices in accordance with the procedures described in paragraph (ii) (*Conditions to Optional Redemption*) below. The Issuer shall procure that notice of such redemption, including the applicable Redemption Date, shall be given to the Noteholders in accordance with Condition 16 (*Notices*). The Trustee shall have no liability to any person in connection with the establishment of any reserve made by it pursuant to this Condition 7(b)(i) (*Redemption at the Option of the Subordinated Noteholders*).

A "**Relevant Tax Event**" shall have occurred in the event that a Gross Up Tax Event or a Tax Charges Event has occurred, where:

- (A) "**Gross Up Tax Event**" means an event which shall occur if the portion of any payment due from any issuer or obligor under any Collateral Debt Obligation or any Hedge Counterparty under any Hedge Obligation, which, due to the introduction of a new, or any change in, home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation, becomes properly subject to the imposition of home jurisdiction or foreign withholding tax which withholding tax is not compensated for by a "gross-up" provision in the terms of the Collateral Debt Obligation or, as the case may be, Hedge Obligation, amounts to 3 per cent. or more of the aggregate interest payments on all the Collateral Debt Obligations during the related Due Period; and
- (B) "**Tax Charges Event**" means an event which shall occur if taxes for which the Issuer becomes liable to any competent taxation authority in any twelve-month period which are in excess of any taxes known on the Closing Date to be payable by the Issuer exceed €1,000,000.
- (ii) **Conditions to Optional Redemption:** Following receipt of confirmation from the Registrar of receipt of a direction from the requisite percentage of Subordinated Noteholders to exercise any right of optional redemption pursuant to this Condition, the Calculation Agent shall, as soon as practicable, and in any event not later than seven Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**") calculate the "**Redemption Threshold Amount**" which amount shall be the aggregate of the Redemption Prices which would be due and payable on redemption of the Revolving Credit Facility, the Senior Notes and the Mezzanine Notes, other than the Class E-2 Notes to the extent wholly owned by the Portfolio Manager, any Affiliate thereof or any fund managed by the Portfolio Manager, on the scheduled Redemption Date, minus the Balances standing to the credit of the Accounts.

The Notes and the Revolving Credit Facility shall not be optionally redeemed pursuant to paragraph (i) (*Redemption at the Option of the Subordinated Noteholders*) above unless not less than seven or more than fifteen Business Days before the scheduled Redemption Date the Issuer, based on the certification of the Portfolio Manager, shall have certified to the Trustee (which shall be entitled to rely on such certificate without further enquiry) in a form satisfactory to the Trustee that the Expected Net Proceeds from either (i) the entry into a binding agreement with a financial institution or (ii) the liquidation of the Portfolio (calculated as provided below) which shall be received in immediately available funds not later than the Business Day immediately preceding the scheduled Redemption Date will equal or exceed the applicable Redemption Threshold Amount.

The "**Expected Net Proceeds**" resulting from any such proposed (i) entry into a binding agreement with a financial institution or (ii) liquidation of the Portfolio shall be the sum of:

- (A) in respect of each Collateral Debt Obligation in the Portfolio, the following:
 - (I) in the case of clause (i) above, the purchase price payable in respect thereof under a binding agreement with a financial institution (including for the avoidance of doubt any entity or institution which has issued or is to issue notes secured by a portfolio of interests in loans, participations and/or debt securities) which (or whose guarantor under such obligations) has a short-term credit rating from Fitch and S&P of "F1" and "A-1+", respectively, or, if no such rating is available from Fitch or S&P, as the case may be, has a long-term credit rating from Fitch and S&P of "AA" and "AA-", respectively, or if no such ratings are available from any two of such Rating Agencies, in respect of which Rating Agency Affirmation has been received; and
 - (II) in the case of clause (ii) above, the Market Value thereof if such Collateral Debt Obligations are to be sold on the Business Day of the certification.

For the purposes of this determination, the "**Market Value**" of the Collateral Debt Obligations shall be the Portfolio Manager's estimate thereof (expressed as a Euro amount) based upon its reasonable commercial judgment.

- (B) amounts realisable from Eligible Investments maturing on or prior to the scheduled Redemption Date; and
 - (C) amounts scheduled to be received under any Hedge Agreement on or prior to the scheduled Redemption Date.
- (iii) **Mechanics of Redemption:** Following calculation by the Calculation Agent of the applicable Redemption Threshold Amount, the Calculation Agent shall make such other calculations as it is required to make pursuant to the Agency Agreement and shall notify the Issuer, the Trustee, the Portfolio Manager, the Paying Agents, the Collateral Administrator, the Irish Stock Exchange and the Noteholders (in accordance with Condition 16 (*Notices*)) of such amount.

Following the exercise of this option, the holders of 100 per cent. of the aggregate principal amount of the Subordinated Notes Outstanding will be required to deliver to a Paying Agent the Definitive Registered Notes representing such Notes together with a duly completed Redemption Notice not

more than 40 nor less than 20 Business Days prior to the applicable Redemption Date. No Redemption Notice and Subordinated Note so delivered may be withdrawn without the prior consent of the Issuer. The Paying Agent shall copy each Redemption Notice received to each of the Issuer, the Trustee, the Collateral Administrator and the Portfolio Manager. In the event that the holders of less than a majority of the aggregate principal amount of the Subordinated Notes Outstanding deliver such Redemption Notices to the Paying Agents as provided in this paragraph (b), the Collateral Administrator shall, within no less than 15 Business Days prior to the applicable Redemption Date notify the Issuer, the Trustee, the Portfolio Manager, the Irish Stock Exchange and the Noteholders (in accordance with Condition 16 (*Notices*)) of such failure to exercise the option and all such Subordinated Notes and accompanying Redemption Notices shall be returned to such Noteholders.

The Collateral Administrator shall notify the Issuer, the Trustee, the Paying Agents, the Portfolio Manager and the Noteholders upon satisfaction of the condition set out in paragraph (ii) (Conditions to Optional Redemption) above and the Portfolio Manager shall arrange for liquidation and/or realisation of the Collateral on behalf of the Issuer in accordance with the Portfolio Management Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with Condition 7(b) (*Optional Redemption*) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with such redemption shall be payable in accordance with the Priorities of Payment.

(c) ***Redemption upon Breach of Coverage Tests:***

- (i) ***Senior Debt and Class B Senior Notes:*** If either of the Senior Coverage Tests is not met on any Determination Date, Interest Proceeds transferred to the Payment Account immediately prior to the related Payment Date, net of amounts payable pursuant to paragraphs (A) to (H) of Condition 3(c)(i) (*Application of Interest Proceeds*), will be used to redeem the Senior Debt other than the Class X Senior Notes (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class B Senior Notes in whole or in part on a *pro rata* basis, in each case until each such Coverage Test is satisfied if recalculated following such redemption, and, to the extent that either of such Coverage Tests is not satisfied following the payment of such Interest Proceeds, Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date, net of certain amounts payable pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*), will be used, in accordance with the Priorities of Payment, to redeem the Senior Debt other than the Class X Senior Notes (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class B Senior Notes in whole or in part on a *pro rata* basis, in each case until each such Coverage Test is satisfied if recalculated following such redemption.
- (ii) ***Senior Debt, Class B Senior Notes and Class C Deferrable Interest Notes:*** If either of the Second Senior Coverage Tests is not met on any Determination Date, Interest Proceeds transferred to the Payment Account immediately prior to the related Payment Date, net of amounts payable pursuant to paragraphs (A) to (J) of Condition 3(c)(i) (*Application of Interest Proceeds*), will be used to redeem the Senior Debt other than the Class X Senior Notes (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class B Senior Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class C-1 Deferrable Interest Notes in whole or in part on

a *pro rata* basis, and, following redemption in full thereof, to redeem the Class C-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis in each case until each such Coverage Test is satisfied if recalculated following such redemption, and, to the extent that either of such Coverage Tests is not satisfied following the payment of such Interest Proceeds, Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date, net of certain amounts payable pursuant to paragraph (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*), will be used, in accordance with the Priorities of Payment, to redeem the Senior Debt other than the Class X Senior Notes (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class B Senior Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class C-1 Deferrable Interest Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class C-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis in each case until each such Coverage Test is satisfied if recalculated following such redemption.

- (iii) **Mezzanine Notes:** If either of the Mezzanine Coverage Tests is not met on any Determination Date, Interest Proceeds transferred to the Payment Account immediately prior to the related Payment Date, net of amounts payable pursuant to paragraphs (A) to (M) of Condition 3(c)(i) (*Application of Interest Proceeds*), will be used to redeem the Senior Debt other than the Class X Senior Notes (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class B Senior Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class C-1 Deferrable Interest Notes in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class C-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class D-1 Deferrable Interest Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class D-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class D-3 Deferrable Interest Notes in whole or in part on a *pro rata* basis, in each case on the related Payment Date until each such Coverage Test is satisfied if recalculated following such redemption, and, to the extent that either of such Coverage Tests is not satisfied following the payment of such Interest Proceeds, Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date, net of certain amounts payable pursuant to paragraphs (A) of Condition 3(c)(ii) (*Application of Principal Proceeds*), will be used in accordance with the Priorities of Payment, to redeem the Senior Debt other than the Class X Senior Notes (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class B Senior Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class C-1 Deferrable Interest Notes in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class C-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the Class D-1 Deferrable Interest Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class D-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class D-3 Deferrable Interest Notes in whole or in part on a *pro rata* basis, in each case on the related Payment Date until each such Coverage Test is satisfied if recalculated following such redemption.
- (iv) **Class E Deferrable Interest Notes:** If the Interest Diversion Test is not met on any Determination Date, (1) 50 per cent. of the I/D Test Cure Amount shall be applied to the purchase of Additional Collateral Debt Obligations and (2) 50 per

cent. of the I/D Test Cure Amount shall be used to redeem the Class E-1 Deferrable Interest Notes in whole or in part on the related Payment Date in whole or in part on a *pro rata* basis, and, following redemption in full thereof, to redeem the Class E-2 Deferrable Interest Notes in whole or in part on a *pro rata* basis in each case on the related Payment Date until the Interest Diversion Test is satisfied if recalculated following such redemption and/or investment in Additional Collateral Debt Obligations and as described in the Conditions, subject to payment of prior ranking amounts in accordance with the Priorities of Payment.

- (d) ***Redemption upon Rating Reduction or Withdrawal:*** In the event that an Effective Date Ratings Downgrade has occurred and is continuing, the Balance standing to the credit of the Additional Collateral Account as of the Business Day prior to the related Payment Date will be applied, in accordance with the Priorities of Payments, on the Payment Date next succeeding the date of the occurrence of such Effective Date Ratings Downgrade to redeem the Senior Debt (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the other Classes of Notes in accordance with the Note Payment Sequence, in each case, until the Rating Agencies affirm that each such rating is reinstated to the ratings assigned thereto on the Closing Date or such Class has been fully redeemed.

If necessary after the application of such amounts in the Additional Collateral Account, all Interest Proceeds remaining after the payment of amounts referred to in paragraphs (A) through (O) of Condition 3(c)(i) (*Application of Interest Proceeds*) will be applied in redemption of the Senior Debt (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)), the Class B Senior Notes and the Mezzanine Notes in whole or in part on a *pro rata* basis or until the Rating Agencies affirm that each such rating is reinstated to the ratings assigned thereto on the Closing Date or such Class has been fully redeemed.

In addition, if necessary after the foregoing payments are made, all Principal Proceeds remaining after payment of certain amounts set forth in the Priorities of Payment will be applied to redeem the Senior Debt (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the other Classes of Notes in accordance with the Note Payment Sequence, in each case, until the Rating Agencies affirm that each such rating is reinstated to the ratings assigned thereto on the Closing Date or such Class has been fully redeemed.

- (e) ***Redemption at the Option of the Portfolio Manager:***

- (i) The Issuer shall, on each Payment Date at any time during the Reinvestment Period, if the Portfolio Manager by notice (at least 15 Business Days prior to the applicable Payment Date) certifies to the Issuer, the Trustee, the Principal Paying Agent and the Collateral Administrator that it has been unable to identify Substitute Collateral Debt Obligations that are deemed appropriate by the Portfolio Manager and which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in Substitute Collateral Debt Obligations and the following conditions shall be met following the application of such redemption described below (a "**Special Redemption**");

(A) the Collateral Quality Tests are satisfied;

(B) the Coverage Tests are satisfied;

(C) no Coverage Test has failed to be satisfied on any Measurement Date occurring on or after the Effective Date, unless, subsequent to such failure, the Coverage Ratio related to each such Coverage Test that was

not satisfied has equaled or exceeded the Coverage Ratio related to such Coverage Test in existence on the Effective Date;

- (D) no Class of Notes has been downgraded by either S&P or Fitch since the Effective Date; and
- (E) at all times on or prior to the related Determination Date, the Aggregate Collateral Balance has been at least equal to 50 per cent of the Target Par Amount;

on the first Payment Date following the Due Period in which any such notice is given (a "**Special Redemption Date**"), apply funds on deposit in the Principal Accounts representing Principal Proceeds which cannot be reinvested in Substitute Collateral Debt Obligations (the "**Special Redemption Amount**") in accordance with Condition 3(c)(ii) (*Application of Principal Proceeds*) to redeem the Senior Debt (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)), the Class B Senior Notes, the Mezzanine Notes and the Subordinated Notes on a *pro rata* and *pari passu* basis based upon the Deemed Special Redemption Balance of each such Class and the Revolving Credit Facility up to an aggregate maximum of €60,000,000. Notice of payments pursuant to this paragraph shall be given in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to each Noteholder affected thereby and to the Rating Agencies.

- (ii) the Issuer shall, on each Payment Date occurring after the end of the Reinvestment Period at the discretion of the Portfolio Manager (acting on behalf of the Issuer pursuant to the Portfolio Management Agreement) apply any or all of the Principal Sale Proceeds from Credit Risk Obligations and Credit Improved Obligations and Unscheduled Principal Proceeds, to redeem the Senior Debt (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the other Classes of Notes in accordance with the Note Payment Sequence, in accordance with the Priorities of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and subject to payment of any prior ranking amounts.
- (f) **Redemption Following Expiry of the Reinvestment Period:** Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds received in the related Due Period other than Principal Sale Proceeds from Credit Risk Obligations and Credit Improved Obligations and Unscheduled Principal Proceeds designated by the Portfolio Manager for reinvestment in Substitute Collateral Debt Obligations to redeem the Senior Debt (in accordance with Condition 3(c)(iv) (*Pari Passu Provisions*)) in whole or in part on a *pro rata* basis and, following redemption in full thereof, to redeem the other Classes of Notes in accordance with the Note Payment Sequence, in accordance with the Priorities of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and subject to payment of any prior ranking amounts.
- (g) **Redemption:** All Notes or the Revolving Credit Facility in respect of which any notice of redemption is given under this Condition 7 (*Redemption and Purchase*) shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition. Upon any such redemption, the Registrar will notify the Irish Stock Exchange of the Principal Amount Outstanding of each affected Class of Notes or Revolving Credit Facility Provider.
- (h) **Purchase of Notes by the Issuer:**
 - (i) **Senior Notes and Mezzanine Notes:** The Issuer may at any time, at the direction of the Portfolio Manager, purchase Senior Notes or Mezzanine Notes in the open

market or in privately negotiated transactions or otherwise, at a price not exceeding 100 per cent. of their respective principal amounts plus accrued interest; provided however that no such Note shall be purchased unless:

- (A)
 - (1) in the case of Class B Senior Notes, all the Senior Debt has been redeemed in full;
 - (2) in the case of Class C-1 Deferrable Interest Notes, the Revolving Credit Facility and the Senior Notes have been redeemed in full;
 - (3) in the case of Class C-2 Deferrable Interest Notes, the Revolving Credit Facility, the Senior Notes and the Class C-1 Deferrable Interest Notes have been redeemed in full;
 - (4) in the case of Class D-1 Deferrable Interest Notes, the Revolving Credit Facility, the Senior Notes and the Class C Deferrable Interest Notes have been redeemed in full;
 - (5) in the case of Class D-2 Deferrable Interest Notes, the Revolving Credit Facility, the Senior Notes, the Class C Deferrable Interest Notes and the Class D-1 Deferrable Interest Notes have been redeemed in full;
 - (6) in the case of Class D-3 Deferrable Interest Notes, the Revolving Credit Facility, the Senior Notes, the Class C Deferrable Interest Notes, the Class D-1 Deferrable Interest Notes and the Class D-2 Deferrable Interest Notes have been redeemed in full;
 - (7) in the case of Class E-1 Deferrable Interest Notes, the Revolving Credit Facility, the Senior Notes, Class C Deferrable Interest Notes and Class D Deferrable Interest Notes have been redeemed in full;
 - (8) in the case of Class E-2 Deferrable Interest Notes, the Revolving Credit Facility, the Senior Notes, Class C Deferrable Interest Notes, Class D Deferrable Interest Notes and Class E-1 Deferrable Interest Notes have been redeemed in full;
- (B) after giving effect to such purchase, the Coverage Tests (save to the extent no longer applicable following redemption and payment in full of the Class of Notes to which any such tests relate) will be maintained or improved, as notified by the Collateral Administrator to the Trustee;
- (C) the Collateral Administrator notifies the Trustee in writing that an amount sufficient to pay interest on the Senior Notes and the Revolving Credit Facility, or in the event that the Senior Notes and the Revolving Credit Facility have been redeemed in full, on the Mezzanine Notes, not so purchased on the next Payment Date and all amounts required to be paid on such Payment Date prior to such interest in accordance with the Priorities of Payment is standing to the credit of the Interest Account; and
- (D) in the event that any Rated Note will remain Outstanding following such purchase, the Issuer and the Trustee have received Rating Agency Affirmation in respect of such purchase.

- (ii) **Subordinated Notes:** The Issuer may at any time purchase Subordinated Notes in the open market or in privately negotiated transactions or otherwise provided however that no Subordinated Note shall be purchased unless the Revolving Credit Facility and all Senior Notes and Mezzanine Notes have been redeemed in full.
- (iii) **Conditions to Purchase:** The Portfolio Manager on behalf of the Issuer shall use either cash amounts standing to the credit of the Principal Account or the Additional Collateral Account on the date of purchase or may sell one or more Collateral Debt Obligations and/or Eligible Investments and use the Principal Sale Proceeds thereof to acquire any Notes to be purchased pursuant to this Condition 7 (*Redemption and Purchase*), provided that the Portfolio Manager may not sell (and the Trustee shall not be required to release) a Collateral Debt Obligation and/or Eligible Investment pursuant to this Condition 7 (*Redemption and Purchase*) unless the Portfolio Manager certifies to the Trustee that:
 - (A) the Principal Sale Proceeds from the sale of such Collateral Debt Obligations and/or Eligible Investments (based on commitments to purchase such Collateral Debt Obligations and/or Eligible Investments received by the Portfolio Manager on behalf of the Issuer) together with all or part of the amounts standing to the credit of the Principal Account and/or Additional Collateral Account to be applied towards such purchase will be sufficient to pay the purchase price of such Notes; and
 - (B) in the case of any purchase of Subordinated Notes only, the market value of the Collateral Debt Obligations and/or Eligible Investments to be sold in such circumstances (as determined by the Portfolio Manager in its absolute discretion) does not exceed the pro rata share of the market value of all Collateral Debt Obligations and Eligible Investments forming part of the Collateral at such time which is allocable to the Subordinated Notes to be purchased (such allocation to be determined by reference to the percentage which the Principal Amount Outstanding of the Subordinated Notes to be purchased bears to the aggregate principal amount of all Notes Outstanding immediately prior to purchase thereof).
- (i) **Cancellation:** All Notes redeemed in full or purchased in accordance with this Condition 7 (*Redemption and Purchase*) will be cancelled and may not be reissued or resold.
- (j) **Notice of Partial Redemption:** The Issuer shall procure that the Irish Stock Exchange is notified of any partial redemption of the Notes, including details of the principal amount of each Class of Notes Outstanding following any such partial redemption.
- (k) **Auction:** Fifty-five (55) days prior to each Payment Date, commencing with the Payment Date in June 2017 (each, an "**Auction Payment Date**"), the Portfolio Manager will take steps to conduct an auction (an "**Auction**") of the Collateral Debt Obligations. If the Portfolio Manager receives one or more firm bids from Eligible Bidders not later than ten (10) Business Days prior to the relevant Auction Payment Date equal to or greater than the Redemption Threshold Amount, it will sell the Collateral Debt Obligations for settlement on or before the fifth (5th) Business Day prior to such Auction Payment Date. If the aggregate amount of all such firm bids received (if any) does not equal or exceed the Redemption Threshold Amount or if there is a failure at settlement which results in at least the Redemption Threshold Amount not being received, then the Collateral Debt Obligations shall not be sold and the Notes and the Revolving Credit Facility shall not be redeemed on the related Auction Payment Date and a new Auction will be conducted with respect to the following Auction Payment Date. The Notes and the Revolving Credit Facility will be redeemed on the Auction Payment Date following a successful Auction at their Auction Redemption Price. The Portfolio Manager will, not later than nine (9) Business Days prior to a relevant Auction Payment Date, give the Trustee and the

Principal Paying Agent written notice of the redemption of the Notes on such Auction Payment Date.

8. Payments

- (a) **Payment of Principal:** Payments of principal upon final redemption in respect of each Note will be made (i) in the case of the Global Notes, to the bearer thereof against presentation and surrender thereof at the specified office of the Principal Paying Agent and (ii) in the case of Definitive Registered Notes, to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the fifteenth day before the relevant due date (the "**Record Date**") against presentation and surrender (or, in the case of part payment only, endorsement) of the Definitive Registered Note, to the holder on the Record Date at the specified office of the Registrar or any Transfer Agent.
- (b) **Payment of Interest:** Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made (i) in the case of the Global Notes, to the bearer thereof against presentation and surrender thereof at the specified office of the Principal Paying Agent and (ii) in the case of the Definitive Registered Notes, to the Noteholder whose name appears in the Register as of the close of business on the related Record Date.
- (c) **Method of Payment:** Payments in respect of a Global Note will be made by transfer to a Euro account maintained by the payee with a branch of a bank in London. Payments in respect of Definitive Registered Notes will be made by Euro drawn cheque drawn on a bank in Europe and will be posted on the Business Day immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the Record Date at the address shown on the Register on the Record Date.

Upon application of the holder to the specified office of the Registrar or any Transfer Agent not less than five Business Days before the due date for any payment in respect of a Definitive Registered Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of the Definitive Registered Note as provided above) by wire transfer in immediately available funds on the due date to a Euro account maintained by the payee with a bank in Europe.

All payments in respect of the Revolving Credit Facility shall be made in accordance with the Revolving Credit Facility Agreement.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*). No commission shall be charged to the Noteholders.
- (e) **Payments on Presentation Days:** A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date. If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.
- (f) **Paying Agents, Transfer Agents and Registrar:** The names of the initial Principal Paying Agent, the initial Paying Agents, the initial Transfer Agents and the initial Registrar and their initial specified offices are set out below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal

Paying Agent, the Registrar, any Paying Agent and any Transfer Agent and appoint additional or other Agents, provided that it shall at all times maintain a Principal Paying Agent, Registrar, Custodian, Account Bank, Portfolio Manager and Collateral Administrator. For so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, the Issuer shall at all times maintain a paying agent with a specified office in Ireland. If the conditions for the application of the Directive on the taxation of savings income adopted by the Council of the European Union on 3 June 2003 or any law (whether of a member state of the European Union or a non-member state) implementing or complying with, or introduced in order to conform to, such Directive are satisfied, the Issuer will also maintain a paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to such Directive or any such law, in each case as approved by the Trustee. Notice of any change in any Agent or their specified offices or in the Custodian, Account Bank, Portfolio Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

- (g) ***Revolving Credit Facility:*** All payments in respect of the Revolving Credit Facility will be made in accordance with the Revolving Credit Facility Agreement.

9. Taxation

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts for or on account of tax where so required by law or any relevant taxing authority. Any such withholding or deduction shall not constitute an Event of Default under Condition 10(a) (*Events of Default*).

Subject as provided below, if the Issuer satisfies the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of Ireland to withhold or deduct for or on account of tax in respect of payments under the Notes so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (with the consent of the Trustee and save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction, where no such requirement to withhold or account would be imposed, approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction, where the Issuer would not be so required to withhold or account, approved by the Trustee, subject to receipt by the Trustee of Rating Agency Affirmation in relation to such change and the Issuer shall, having so satisfied the Trustee and as soon as is reasonably practicable thereafter, notify Noteholders of such intended substitution or change (subject to receipt of such information and/or opinions as the Rating Agencies may require) in accordance with Condition 16.

Notwithstanding the above, if any taxes referred to in this Condition 9 arise:

- (a) due to the connection of any Noteholder with Ireland otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;
- (b) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax;
- (c) in respect of a payment to an individual and such withholding or deduction is required to be made pursuant to the European Union Directive on the taxation of savings income adopted by the Council of the European Union on 3 June 2003, or any law (whether of a member state of the European Union or a non-member state) implementing or complying with, or introduced in order to conform to, such Directive; or

- (d) due to the Note being presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. Events of Default

- (a) **Events of Default:** The occurrence of any of the following events shall constitute an "Event of Default":
 - (i) **Non-payment of interest:** the Issuer fails to pay any interest in respect of any Senior Debt and Class B Senior Notes when the same becomes due or payable or, following redemption and payment in full of the Senior Debt and Class B Senior Notes, the Issuer fails to pay any interest in respect of the Class C-1 Deferrable Interest Notes when the same becomes due or payable or, following redemption and payment in full of the Senior Debt and Class B Senior Notes and the Class C-1 Deferrable Interest Notes, the Issuer fails to pay any interest in respect of the Class C-2 Deferrable Interest Notes when the same becomes due or payable or, following redemption and payment in full of the Senior Debt and Class B Senior Notes and the Class C Deferrable Interest Notes, the Issuer fails to pay any interest in respect of the Class D-1 Deferrable Interest Notes when the same becomes due or payable or, following redemption and payment in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes and the Class D-1 Deferrable Interest Notes, the Issuer fails to pay any interest in respect of the Class D-2 Deferrable Interest Notes when the same becomes due or payable or, following redemption and payment in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes, Class D-1 Deferrable Interest Notes and the Class D-2 Deferrable Interest Notes, the Issuer fails to pay any interest in respect of the Class D-3 Deferrable Interest Notes when the same becomes due or payable or, following redemption and payment in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes, the Class D Deferrable Interest Notes, the Issuer fails to pay any interest in respect of the Class E-1 Deferrable Interest Notes when the same becomes due or payable or, following redemption and payment in full of the Senior Debt, the Class B Senior Notes, the Class C Deferrable Interest Notes, the Class D Deferrable Interest Notes, and the Class E-1 Deferrable Interest Notes, the Issuer fails to pay any interest in respect of the Class E-2 Deferrable Interest Notes when the same becomes due or payable, (save, in each case, as the result of any deduction or withholding therefrom in the circumstances described in Condition 9 (*Taxation*)), *provided that* any such failure to pay such interest continues for a period of five Business Days or, if such failure occurs as the result of an administrative error of the Trustee, for a period of seven Business Days;
 - (ii) **Non-payment of principal:** without prejudice to Condition 3(d) (*Non-Payment of Amounts*), the Issuer fails to pay any principal when the same becomes due and payable on the Revolving Credit Facility or any Note which failure continues for a period of five Business Days or, if such failure occurs as the result of an administrative error of the Trustee, for a period of seven Business Days;
 - (iii) **Default under Priorities of Payment:** the Issuer fails on any Payment Date to disburse amounts available in the Payment Account in accordance with the Priorities of Payment, which failure (save for such failure as described in paragraphs (i) and (ii) above) continues for a period of five Business Days or, if such failure occurs as the result of an administrative error of the Trustee, for a period of seven Business Days;

- (iv) ***Inadequate Par Coverage:*** on any Measurement Date after the Effective Date, the Par Coverage Numerator (without regard to clauses (c) and (d) of such definition and the provisos to such definition) falls below 100 per cent. of the Principal Amount Outstanding of the Senior Debt or, if there is no Senior Debt Outstanding, of the Class B Senior Notes or, if there are no Class B Senior Notes Outstanding, of the Class C-1 Deferrable Interest Notes or, if there are no Class C-1 Deferrable Interest Notes Outstanding, of the Class C-2 Deferrable Interest Notes or, if there are no Class C-2 Deferrable Interest Notes Outstanding, of the Class D-1 Deferrable Interest Notes or, if there are no Class D-1 Deferrable Interest Notes Outstanding, of the Class D-2 Deferrable Interest Notes or, if there are no Class D-2 Deferrable Interest Notes Outstanding, of the Class D-3 Deferrable Interest Notes or, if there are no Class D-3 Deferrable Interest Notes Outstanding, of the Class E-1 Deferrable Interest Notes or, if there are no Class E-1 Deferrable Interest Notes Outstanding, of the Class E-2 Deferrable Interest Notes;

- (v) ***Breach of Other Obligations:*** without prejudice to Condition 3(d) (*Non-payment of Amounts*), the Issuer does not perform or comply with any other covenant, warranty or other agreement of the Issuer under the Notes, the Trust Deed, the Agency Agreement, the Collateral Administration Agreement, the Hedge Agreements, the Euroclear Pledge Agreement or the Portfolio Management Agreement which has an adverse effect on the Noteholders (other than a covenant, warranty or other agreement a default in the performance or breach of which is dealt with elsewhere in this Condition 10(a) (*Events of Default*) and other than the failure to meet any Collateral Quality Test or Coverage Test), or any representation, warranty or statement of the Issuer made in the Trust Deed or in any certificate or other writing delivered pursuant thereto or in connection therewith ceases to be correct in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 30 days (or 15 days, in the case of any default, breach or failure of representation or warranty in respect of the Collateral) after notice thereof shall have been given by registered or certified mail or overnight courier, to the Issuer by the Trustee specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

- (vi) ***Insolvency Proceedings:*** proceedings are initiated against the Issuer under any applicable liquidation, examination, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, examiner, trustee, administrator, custodian, conservator or other similar official (a "**Receiver**") is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer; or a winding up petition is presented in respect of or a distress or execution or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and, in any of the foregoing cases except in relation to the appointment of a Receiver, is not discharged within 60 days; or the Issuer becomes or is, or could be deemed by law or a court to be, insolvent or bankrupt or unable to pay its debts, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee);

- (vii) ***Illegality:*** it is or will become unlawful for the Issuer to perform or comply with any one or more of its material obligations under the Notes; or

- (viii) ***Requirement to register as Investment Company:*** the Issuer or the Portfolio has become required to register as an investment company under the provisions of the Investment Company Act.

- (b) ***Curing of Default:*** At any time after a notice of acceleration of the maturity of the Notes has been made following the occurrence of an Event of Default and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, at its discretion may or, if requested in writing by the holders of the Controlling Class, acting by Extraordinary Resolution, at such time (or, solely in the event that the Subordinated Notes constitute the Controlling Class, 100 per cent. by principal amount of the holders of the Controlling Class), shall, (in each case, subject to being indemnified to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul the notice of acceleration under paragraph (c)(i) below or automatic acceleration under paragraph (c)(ii) below (as the case may be) and its consequences if:
- (i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:
 - (A) all overdue payments of interest and principal on, all Mezzanine Note Deferred Interest payable in respect of, the Notes other than the Subordinated Notes;
 - (B) all due but unpaid taxes owing by the Issuer as certified by an Authorised Officer of the Issuer to the Trustee;
 - (C) all unpaid Administrative Expenses, Trustee Fees and Expenses and Revolving Credit Facility Agent Fees;
 - (D) any unpaid Portfolio Management Fee including any value added tax due and payable thereon; and
 - (E) any unreimbursed Interest Advances or Cure Advances; and
 - (ii) the Trustee has determined that all Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely by such acceleration, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (b) shall not prevent the subsequent acceleration of the Notes if the Trustee at its discretion accelerates or if the Trustee is subsequently requested or directed to accelerate the Notes in accordance with paragraph (c)(i) below or upon subsequent automatic acceleration in accordance with paragraph (c)(ii) below (as the case may be).

(c) ***Acceleration***

- (i) If an Event of Default occurs and is continuing the Trustee, at its discretion, may and, if requested in writing by the holders of the Controlling Class acting by Extraordinary Resolution (or, solely in the event that the Subordinated Notes constitute the Controlling Class, by 100 per cent. by principal amount of the holders of the Controlling Class), shall (in each case subject to being indemnified to its satisfaction, against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith), give notice to the Issuer that all the Notes are to be immediately due and payable.
- (ii) Upon any such notice being given to the Issuer in accordance with paragraph (i) above all of the Notes shall immediately become due and repayable at their applicable Redemption Prices, provided that no such notice shall be required in the case of the Event of Default referred to in Condition 10(a)(vi) (*Insolvency Proceedings*), the occurrence of which shall result in automatic acceleration of the Notes in accordance with this Condition.

- (iii) If an Event of Default should occur and be continuing, the Trustee will direct the Portfolio Manager to retain the Collateral intact and collect all payments in respect of the Collateral and continue making payments in accordance with the Priorities of Payments unless (A) the Trustee determines (which determination may be based upon a certificate from the Portfolio Manager delivered to the Trustee) that the anticipated proceeds of a sale or liquidation of the Collateral based on an estimate obtained from an internationally recognised investment banking firm (which estimate takes into account the time elapsed between such estimate and the anticipated date of the sale of the Collateral) would equal or exceed the amount necessary to pay in full (after deducting the reasonable expenses of such sale or liquidation) the sum of (1) the principal and accrued interest with respect to all Notes; (2) all fees and expenses, including the Portfolio Management Fee and any value added tax due and payable thereon; and (3) all other amounts under the Transaction Documents that are, pursuant to the Priorities of Payments, payable prior to the payments of the principal of, and interest on, any Senior Notes and Mezzanine Notes, and, in any case, the holders of the Controlling Class, acting by Extraordinary Resolution, agree with such determination or (B) 66 2/3 per cent. by Principal Amount Outstanding of each Class of Senior Notes and Mezzanine Notes direct the sale and liquidation of the Collateral.
- (d) ***Restriction on Acceleration of Notes:*** No acceleration of the Notes shall be permitted pursuant to this Condition by the holders of any Class of Notes other than the Controlling Class as provided in Condition 10(c) (Acceleration) or unless and until the acceleration of any other Class of Notes is simultaneous with, or occurs subsequent to, acceleration by the holders of such Controlling Class.
- (e) ***Notification and Confirmation of No Default:*** The Issuer shall promptly notify the Trustee, the Portfolio Manager and the Rating Agencies upon becoming aware of the occurrence of an Event of Default or Potential Event of Default. The Trust Deed contains provisions for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis or on request that no Event of Default or Potential Event of Default has occurred and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. Enforcement

- (a) ***Security Becoming Enforceable:*** Subject to Condition 10(c)(iii), the security constituted under the Trust Deed and the Euroclear Pledge Agreement over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10 (*Events of Default*).
- (b) ***Enforcement:*** Subject to Condition 10(c)(iii), at any time after the Notes become due and payable and the security under the Trust Deed and the Euroclear Pledge Agreement becomes enforceable, the Trustee may at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Euroclear Pledge Agreement and the Notes and pursuant and subject to the terms of the Trust Deed and the Euroclear Pledge Agreement, realise and/or otherwise liquidate the Collateral and/or take such action as may be permitted under applicable laws against any obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral, in each case without any liability as to the consequence of any action and without having regard (save to the extent provided in Condition 14(d) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on individual Noteholders of any Class or any other Secured Party.

The Trustee shall not be bound to institute any such proceedings or take any such other action unless it is requested to do so in writing by the holders of the Controlling Class, acting by Extraordinary Resolution (or, solely in the event that the Subordinated Notes constitute the Controlling Class, 100 per cent. by Principal Amount Outstanding of the

holders of the Controlling Class); and the Trustee is indemnified to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith.

The net proceeds of enforcement of the security over the Collateral shall be credited to the Principal Account or such other account as the Class of Noteholders entitled to direct the Trustee with respect to enforcement (in accordance with the previous paragraph) shall designate to the Trustee and the Interest Proceeds and Principal Proceeds so realised shall be distributed in accordance with the Priorities of Payment (in the case of any amounts payable pursuant to paragraph (B) of Condition 3(c)(i), without giving effect to the Senior Fee Cap).

- (c) **Only Trustee to Act:** Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payment, no Noteholder or other Transaction Creditor may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Transaction Creditor and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Transaction Creditor and all claims against the Issuer in respect of such sums unpaid shall be extinguished.
- (d) **Purchase of Collateral by Noteholders:** Upon any sale of any part of the Collateral following the occurrence of an Event of Default, whether made under the power of sale under the Trust Deed and the Euroclear Pledge Agreement or by virtue of judicial proceedings, any Noteholder may bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payment out of the net proceeds of such sale is equal to or exceeds the purchase moneys so payable.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes will become void unless presentation for payment is made as required by Condition 8 (*Payments*) within a period of five years, in the case of interest, and ten years, in the case of principal, from the appropriate Relevant Date.

13. Replacement of Definitive Registered Notes

If any Definitive Registered Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any Transfer Agent, subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Definitive Registered Note must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of the Noteholders of each Class to consider matters affecting the interests of such Noteholders, including the sanctioning by Extraordinary Resolution of the Noteholders of the Controlling Class of a modification of certain of these Conditions or certain

provisions of the Trust Deed. Meetings of the Noteholders of a Class may be convened by two or more Noteholders of such Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of that Class (or, if all the Outstanding Notes of such Class are held by one Noteholder, by such Noteholder). The quorum for any meeting convened to consider an Extraordinary Resolution of the Controlling Class, or any other relevant Class, as the case may be, will be two or more persons holding or representing at least 75 per cent. in Principal Amount Outstanding of the Notes of such Controlling Class, or such other relevant Class, as the case may be; provided, however, that if all the Outstanding Notes of such Controlling Class are held by one Noteholder, such Noteholder shall constitute a quorum. No proposal to sanction, amongst other things:

- (i) the exchange or substitution for the Notes of the relevant Class, or the conversion of the Notes of the relevant Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;
- (ii) the modification of any provision relating to the timing and/or circumstances of redemption of the Notes of the relevant Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated);
- (iii) the modification of the timing and/or determination of the amount of interest, principal or other amounts payable in respect of the Notes of the relevant Class from time to time;
- (iv) the adjustment of the Principal Amount Outstanding of the Notes of the relevant Class other than in connection with a further issue of Notes pursuant to Condition 19 (*Further Issues*);
- (v) a change in the currency of payment of the Notes of the relevant Class or any other amounts payable under the Priorities of Payment;
- (vi) any change in the Priorities of Payment or in the calculation or determination of any amounts payable thereunder including, without limitation, the Portfolio Management Fees;
- (vii) the modification of the provisions concerning the quorum required at any meeting of Noteholders of the relevant Class or the 75 per cent. required to pass an Extraordinary Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Notes of any Class;
- (viii) the modification of any provision relating to the security over the Collateral constituted by the Trust Deed and the Euroclear Pledge Agreement except as contemplated by these Conditions, the Trust Deed and the Euroclear Pledge Agreement; and
- (ix) any modification of this Condition 14(a) (*Meetings of Noteholders*), shall be effective unless approved by the holders representing at least 75 per cent. in Principal Amount Outstanding of the Notes of the Controlling Class.

The Trust Deed does not contain any provisions requiring higher quorums in any circumstances. Any Extraordinary Resolution of the Noteholders of a Class duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed). The Trust Deed provides that a resolution in writing signed by, or on behalf of, the holders of 75 per cent. of the Principal Amount Outstanding of the Controlling Class, or any other relevant Class, as the case may be, in each case who for the time being are entitled to receive notice of a meeting shall for all purposes be as valid and effective as an

Extraordinary Resolution passed at a meeting of such Noteholders duly convened and held.

For the avoidance of doubt, for so long as the Controlling Class includes the Senior Debt (other than the Class X Senior Notes), for the purposes of this Condition and the voting provisions of the Trust Deed the determination as to the votes cast, or entitled to be cast, in relation to the Senior Debt shall include that portion of the Revolving Credit Facility as is deemed to be Outstanding pursuant to clause (b) of the definition of Outstanding. The principal amounts of Class A Senior Notes Outstanding and the amount of the Commitment under the Revolving Credit Facility which has not been fully repaid or cancelled shall constitute one Class, for so long as any such amounts are outstanding, for the purposes of voting on resolutions and issuing directions to the Trustee and any other decisions required to be made by any Class of Noteholders and the Revolving Credit Facility Provider.

Where the voting provisions of these Conditions or the Trust Deed require the determination of votes cast by the Controlling Class (including the Senior Debt (other than the Class X Senior Notes)) the Trustee and the Revolving Credit Facility Agent shall liaise to ensure that the provisions of any Extraordinary Resolution to be presented to a meeting of Noteholders are also presented by the Revolving Credit Facility Agent to the Revolving Credit Facility Provider in timely fashion and so as to ensure that the Revolving Credit Facility Provider is able to consider and vote on any such resolution at the same time as or prior to the holding of such meeting. The Revolving Credit Facility Agent shall report to the Trustee the outcome of such vote by the Revolving Credit Facility Provider and the Trustee shall take such votes into account when determining the total number of votes of the Controlling Class cast for and against such resolution.

- (b) ***Modification and Waiver:*** The Trust Deed provides that the Trustee may, subject to satisfaction of certain conditions, without the consent of the Noteholders or the Secured Parties, agree to:
- (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error;
 - (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is not materially prejudicial to the interests of the Noteholders (as evidenced by (i) an opinion of outside counsel delivered at the expense of the Issuer or (ii) Rating Agency Affirmation);
 - (iii) any modification of any provision of Condition 3(i) (Accounts) to the extent that Rating Agency Affirmation has been received; and
 - (iv) without prejudice to (i) or (ii), any modification of the calculation of any of the Portfolio Profile Tests, the Coverage Tests or the Reinvestment Criteria to correspond with changes in the guidelines, methodology or standards established by any applicable Rating Agencies, subject to receipt of Rating Agency Affirmation.

Any such modification, authorisation or waiver shall be binding on all Noteholders and shall be notified to the Rating Agencies and to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

- (c) ***Substitution:*** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and, for so long as any of the Notes are listed on the Official List of the Irish Stock Exchange, compliance with the rules of the Irish Stock

Exchange, and such other conditions as the Trustee may require, but without the consent of the Noteholders of any Class, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required pursuant to Condition 9 (Taxation) set forth above. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt by the Trustee of Rating Agency Affirmation (on the basis of such information and/or opinions as the Rating Agencies may require) to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(c) (*Substitution*) shall be binding on the Noteholders, and shall be notified to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions, including receipt by the Trustee of Rating Agency Affirmation (on the basis of such information and/or opinions as the Rating Agencies may require) agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may require in order that such change in the place of residence of the Issuer pursuant to Condition 9 (*Taxation*) set forth above is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may reasonably direct.

If, pursuant to this Condition 14(c) (*Substitution*), either (i) another company is substituted in place of the Issuer or any previously substituted company or (ii) the residence of the Issuer is changed, then references to "Irish" and "Ireland" in Condition 9 (*Taxation*) shall also be deemed to include references to the jurisdiction in which the company that is being substituted for the Issuer (or any previously substituted company) is incorporated, domiciled or resident for tax purposes and to any jurisdiction to which the residence of the Issuer is changed.

- (d) ***Entitlement of the Trustee and Conflicts of Interest:*** In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*). For the avoidance of doubt, for the purposes of determining whether or not any such exercise is materially prejudicial to the interests of the Noteholders of any Class of Notes which is rated by the Rating Agencies, the Trustee shall be indemnified to its satisfaction and take into consideration any Rating Agency Affirmation in respect thereof.

Except where expressly provided otherwise, where in the opinion of the Trustee there is a conflict between the interests of different Classes of Noteholders, the Trustee shall give priority to the interests of the holders of the Controlling Class, whose interests shall prevail and shall act in accordance with the directions of such Noteholders. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) the Class A Senior Noteholders over the Class X Senior Noteholders, the Class B Senior Noteholders, the Mezzanine Noteholders and the Subordinated Noteholders, (ii) the Class X Senior Noteholders over the Class B Senior Noteholders, the Mezzanine Noteholders and the Subordinated Noteholders, (iii) the Class B Senior Noteholders over the Mezzanine Noteholders and the Subordinated Noteholders, (iv) the Class C-1 Deferrable Interest Noteholders over the Class C-2 Deferrable Interest Notes, the Class D Deferrable Interest Noteholders, the Class E Deferrable Interest Noteholders and the Subordinated Noteholders, (v) the Class C-2 Deferrable Interest Noteholders over the Class D Deferrable Interest Noteholders, Class E Deferrable Interest Noteholders and the Subordinated Noteholders, (vi) the Class D-1 Deferrable Interest Noteholders over the Class D-2 Deferrable Interest Noteholders, Class D-3 Deferrable Interest Noteholders, Class E Deferrable Interest Noteholders and the Subordinated Noteholders, (vii) the Class D-2 Deferrable Interest Noteholders over the Class D-3 Deferrable Interest Noteholders, Class E Deferrable Interest Noteholders and the

Subordinated Noteholders, (viii) the Class D-3 Deferrable Interest Noteholders over the Class E Deferrable Interest Noteholders and the Subordinated Noteholders, (ix) the Class E-1 Deferrable Interest Noteholders over the Class E-2 Deferrable Interest Noteholders and the Subordinated Noteholders and (x) the Class E-2 Deferrable Interest Noteholders over the Subordinated Noteholders. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or other Class given priority as described in this paragraph), each representing less than the majority by principal amount of the Controlling Class (or other Class given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater Principal Amount Outstanding of Notes of such Class. The Trustee shall not be obliged to consider the interests of the holders of any other Class of Notes.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee is exempted from any liability in respect of any loss or theft of the Collateral, from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, the Trustee is not under any such obligation under the Trust Deed) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency Agreement or for the performance by the Portfolio Manager or the Collateral Administrator of any of their duties under the Portfolio Management Agreement or the Collateral Administration Agreement (as the case may be) or for the performance by any other person appointed by the Issuer in relation to the Notes. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Portfolio Manager to release any of the Collateral from time to time.

16. Notices

Notices to Noteholders will be valid if delivered to the Clearing Systems and (for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange. The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or a category of them (including by electronic transmission) if, in its 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 Trustee shall require.

17. Governing Law

- (a) **Governing Law:** The Trust Deed, the Portfolio Management Agreement, the Collateral Administration Agreement, the Agency Agreement, the Revolving Credit Facility and each Class of Notes are governed by and shall be construed in accordance with English law. The Euroclear Pledge Agreement is governed by and shall be construed in accordance with Belgian law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

- (c) **Agent for Service of Process:** The Issuer appoints Fortress Investment Group (UK) Limited as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

18. Third Party Rights

No person shall have any rights to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

19. Further Issues

- (a) The Issuer may from time to time without the consent of the Noteholders, but subject to the satisfaction of the conditions referred to below, create and issue further securities having the same terms and conditions as the Class A Senior Notes (the "**Class A Refinancing Notes**") in all respects (or in all respects except for the first payment of interest thereon) which shall be consolidated and form a single series with, and rank *pari passu* with the Class A Senior Notes then Outstanding and shall use the net proceeds of issue thereof to repay amounts outstanding with respect to Drawings under the Revolving Credit Facility provided the following conditions are met:
- (i) the terms of the Class A Refinancing Notes are the same in all respects (or in all respects except for the first payment of interest) as the Class A Senior Notes then Outstanding;
 - (ii) the Rating Agencies confirm to the Issuer in writing that, on issue, they will assign to the Class A Refinancing Notes the same rating as that which is then applicable to the Class A Senior Notes;
 - (iii) the Issuer receives confirmation from the Rating Agencies that the additional issue of the Class A Refinancing Notes will not cause the reduction or withdrawal of the then current ratings of any of the Senior Debt and the other Rated Notes;
 - (iv) no Issuer Event of Default has occurred and is continuing;
 - (v) the aggregate principal amount of any Class A Refinancing Notes proposed to be issued, together with the aggregate principal amount of all Class A Senior Notes then Outstanding and the aggregate at that time of all principal amounts drawn and any amount available for drawing under the Revolving Credit Facility shall not exceed €520,000,000;
 - (vi) the holders of the Class A Senior Notes shall have the right of first refusal to their *pro rata* portion of such additional issue of the Class A Refinancing Notes; and
 - (vii) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland.

Noteholders should be aware that Class A Refinancing Notes that are treated for non-tax purposes as a single series with the original Class A Senior Notes may be treated as a separate series for U.S. federal income tax purposes. In such case, the new Class A Refinancing Notes may be considered to have been issued with OID (as defined in "Tax Considerations–United States Taxation"), which may affect the market value of the

original Class A Senior Notes since such additional Class A Refinancing Notes may not be distinguishable from the original Class A Senior Notes.

- (b) The Issuer may from time to time, with the consent of the Controlling Class via an Extraordinary Resolution and subject to the prior written consent of the Trustee, create and issue further notes on a *pro rata* basis having the same terms and conditions as the Class X Senior Notes and/or the Class A Senior Notes and/or the Class B Senior Notes and/or the Class C-1 Deferrable Interest Notes and/or the Class C-2 Deferrable Interest Notes and/or the Class D-1 Deferrable Interest Notes and/or the Class D-2 Deferrable Interest Notes and/or the Class D-3 Deferrable Interest Notes and/or the Class E-1 Deferrable Interest Notes and/or the Class E-2 Deferrable Interest Notes and/or the Subordinated Notes in all respects (except for the first payment of interest thereon) which shall be consolidated and form a single series with the Outstanding Notes of such Class, and may use the proceeds of issue thereof to purchase Additional Collateral Debt Obligations and, if applicable, enter into further Hedge Transactions, provided the following conditions are met:
- (i) the terms of the Notes issued are identical to the terms of previously issued Notes of the Class of which such Notes are a part (save for the first payment of interest on them);
 - (ii) none of the ratings of any of the Senior Debt or other Rated Notes have been reduced or withdrawn since the Closing Date and the Issuer and the Trustee receives Rating Agency Affirmation that the additional issue will not cause the reduction or withdrawal of the then current ratings of the Senior Debt or other Rated Notes;
 - (iii) the Rating Agencies confirm to the Issuer in writing that, on issue, they will assign to the further issue of Notes at least the same initial ratings as that which was applicable to the corresponding Notes, as applicable; and
 - (iv) any such further issue of Notes does not result in a breach by the Issuer of the laws and regulations (including, without limitation, the securities laws and regulations) of Ireland.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further notes forming a single series with the Notes constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

Notwithstanding anything herein to the contrary, the Notes of each Class in which beneficial interests are sold in reliance on Regulation S under the Securities Act may be represented by one or more Regulation S Global Notes, and the Notes of each Class in which beneficial interests are sold pursuant to Rule 144A under the Securities Act may be represented by one or more Rule 144A Global Notes.

With respect to the issuance of further notes in accordance with this Condition 19, the Trustee may, without the consent of the Noteholders, at any time and from time to time concur with the Issuer in making any modification to any Transaction Document if, in the opinion of the Trustee, such modification is to render any defined terms and/or provisions thereof consistent with the terms and provisions of the Trust Deed and does not have a material adverse effect on the interests of the Noteholders.

USE OF PROCEEDS

The net proceeds from the income of the Class A Refinancing Notes are expected to be €93,508,000. The net proceeds of the Class A Refinancing Notes will be applied by the Issuer in accordance with the provisions of Condition 19 and Clause 4.2(a)(ii) of the Revolving Credit Facility Agreement, as amended by a Supplemental Trust Deed and an Amending Agreement each dated or to be dated on or around 12 March, 2012 each of which amended the provisions of Condition 19 and Clause 4.2(a)(ii) to permit the net proceeds of issuance of the Class A Refinancing Notes to be applied directly in making repayment in full of all amounts outstanding under the Revolving Credit Facility.

RATINGS OF THE CLASS A REFINANCING NOTES

It is a condition of the issuance and offering that the Class A Refinancing Notes be issued with at least the following ratings assigned by Fitch and S&P:

The Class A Refinancing Notes: B(sf) from Fitch and BB(sf) from S&P.

Fitch

The ratings assigned by Fitch to the Senior Debt and other Rated Notes are based upon its assessment of the probability that the Collateral Debt Obligations will provide sufficient funds to repay the principal amount of and interest in respect of the Senior Debt and other Rated Notes based largely upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Debt Obligations and the various eligibility requirements that the Collateral Debt Obligations are required to satisfy.

Fitch assigns ratings to securities backed by debt obligations through a statistical analysis that measures the likelihood that a portion of the debt obligations included in the portfolio will default. The level of default determined by the analysis is based on historical default rates for similar debt obligations with comparable credit ratings and terms of maturity historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio), historical recovery rates of such defaulted debt obligations and an assumption regarding correlation amongst assets in the portfolio to account for potential excess concentrations in the portfolio based on allowable levels of diversification by region, issues and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Portfolio Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch's ratings of the Senior Debt and other Rated Notes were established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by Fitch in its analysis or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by Fitch.

S&P

In addition to certain quantitative tests, S&P's ratings take into account qualitative features of a transaction, including the legal structure and the risks associated with such structure, such rating agency's view as to the quality of the participants in the transaction and other factors that it deems relevant.

DESCRIPTION OF THE ISSUER

The Section headed "**Description of the Issuer**" in the 2007 Prospectus is incorporated in full except as follows:

The Loan Capital table set out in page 187 of the 2007 Prospectus is deleted and replaced as follows (adjusted for the issue of the Class A Refinancing Notes and after repayment of the Revolving Credit Facility).

Loan Capital	€
Class X Senior Notes	2,500,000.00
Class A Senior Floating Rate Notes (including Class A Refinancing Notes)	239,787,631.93
Class B Senior Floating Rate Notes	40,000,000
Class C-1 Deferrable Interest Floating Rate Notes	40,697,120.36
Class C-2 Deferrable Interest Floating Rate Notes	20,399,823.47
Class D-1 Deferrable Interest Floating Rate Notes	21,544,430.06
Class D-2 Deferrable Interest Floating Rate Notes	21,634,208.46
Class D-3 Deferrable Interest Floating Rate Notes	21,784,595.19
Class E-1 Deferrable Interest Floating Rate Notes	22,707,050.18
Class E-2 Deferrable Interest Floating Rate Notes	22,864,199.40
Subordinated Notes	80,000,000
Total Capitalisation	533,919,059.05

DESCRIPTION OF THE PORTFOLIO MANAGER

Fortress Investment Group LLC (NYSE: "FIG") is a leading global investment manager with approximately \$43.6 billion of assets under management as of September 30, 2011. The Portfolio Manager is headquartered in New York, and has affiliates with offices in Atlanta, Dallas, Frankfurt, London, Los Angeles, New Canaan, Philadelphia, Rome, San Francisco, Seoul, Shanghai, Singapore, Sydney and Tokyo.

Key Personnel

The following sets forth certain information with respect to certain of the principals of the Portfolio Manager and other key professionals involved in the Portfolio Manager's business.

Wesley R. Edens is a principal and Co-Chairman of the Board of Directors of Fortress Investment Group LLC. Mr. Edens has been Co-Chairman of the Board of Directors since August 2009 and a member of the Board of Directors of Fortress since November 2006. Mr. Edens has been a member of the Management Committee of Fortress since 1998. Mr. Edens is responsible for the Company's private equity and publicly traded alternative investment businesses.

Prior to co-founding Fortress in 1998, Mr. Edens was a partner and managing director of BlackRock Financial Management Inc., where he headed BlackRock Asset Investors, a private equity fund. In addition, Mr. Edens was formerly a partner and managing director of Lehman Brothers.

Mr. Edens is Chairman of the Board of Directors of each of Aircastle Limited, Brookdale Senior Living Inc., Eurocastle Investment Limited, GateHouse Media, Inc., Newcastle Investment Corp. and RailAmerica, Inc. and a director of GAGFAH S.A., Penn National Gaming Inc., Springleaf Finance Corporation and Springleaf Finance Inc. Mr. Edens was Chief Executive Officer of Global Signal Inc. from February 2004 to April 2006 and Chairman of the Board of Directors from October 2002 to January 2007. Mr. Edens previously served on the boards of the following publicly traded company and registered investment companies: Crown Castle Investment Corp. (merged with Global Signal Inc.) from January 2007 to July 2007; Fortress Brookdale Investment Fund LLC, from August 13, 2000 (deregistered with the SEC in March 2009); Fortress Pinnacle Investment Fund, from July 24, 2002 (deregistered with the SEC in March 2008); Fortress Investment Trust II, from July 2002 (deregistered with the SEC in January 2011); and RIC Coinvestment Fund LP, from May 10, 2006 (deregistered with the SEC in June 2009)

Mr. Edens received a B.S. in Finance from Oregon State University.

Robert I. Kauffman is a principal and has been a member of the Board of Fortress Investment Group LLC since November 2006. Mr. Kauffman has been a member of the Management Committee of Fortress since 1998. Mr. Kauffman is responsible for the management of Fortress's European private equity investment operations.

Prior to co-founding Fortress in 1998, Mr. Kauffman was a managing director of UBS from May 1997 to May 1998, and prior to that, was a principal of BlackRock Financial Management Inc. Mr. Kauffman was with Lehman Brothers from 1986 to 1994 and served as executive director of Lehman Brothers International in London beginning in 1992.

Mr. Kauffman is the Chairman of the Board of Directors of Alea Group Holdings (Bermuda) Ltd. and of GAGFAH S.A.

Mr. Kauffman received a B.S. in Business Administration from Northeastern University.

Randal A. Nardone is a principal and has been a member of the Board of Directors of Fortress Investment Group LLC since November 2006. Mr. Nardone has been a member of the Management Committee of Fortress since 1998. He has served as interim Chief Executive Officer since December 2011.

Prior to co-founding Fortress in 1998, Mr. Nardone was a managing director of UBS from May 1997 to May 1998. Before joining UBS in 1997, Mr. Nardone was a principal of BlackRock Financial

Management, Inc. Prior to joining BlackRock, Mr. Nardone was a partner and a member of the executive committee at the law firm of Thatcher Proffitt & Wood.

Mr. Nardone is a director of Alea Group Holdings (Bermuda) Ltd., Brookdale Senior Living, Inc., Eurocastle Investment Limited, GAGFAH S.A., Springleaf Finance Corporation and Springleaf Finance Inc.

Mr. Nardone received a B.A. in English and Biology from the University of Connecticut and a J.D. from Boston University School of Law.

Jonathan Ashley is a managing director of Fortress Investment Group LLC in charge of the capital markets group for the Private Equity business. Mr. Ashley is also a member of the Management Committee of Fortress.

Prior to joining Fortress in May 1998, Mr. Ashley worked at UBS and, from April 1996 through May 1997, at BlackRock Financial Management Inc. Prior to that, Mr. Ashley worked at Morgan Stanley, Inc. in its real estate investment banking group. Prior to Morgan Stanley, Mr. Ashley was in the structured finance group at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP.

Mr. Ashley received a B.A. in History from Tufts University and a J.D. from the University of Pennsylvania Law School.

DESCRIPTION OF THE PORTFOLIO

The Section headed "**Description of the Portfolio**" in the 2007 Prospectus is incorporated in full except as follows:

In **Paragraph 9** (*The Collateral Quality Tests*) it should be noted that:

- The Minimum Weighted Average Spread was, at the Measurement Date falling in December 2011, 1.79% and the Minimum Weighted Average Spread Test has been breached.
- The Weighted Average Life was, at the Measurement Date falling in December 2011, 1.92.
- The Fitch Default Vector Model Test has been breached.
- The S&P Weighted Average Rating was, at the Measurement Date falling in December 2011, 10.86.
- The Maturity Concentration Test result was, at the Determination Date falling in December 2011, 3.22%.
- The number of single issuers or guarantors in the portfolio, at the Measurement Date falling in December 2011, was 65.

In **Paragraph 10** (*The Coverage Tests*) it should be noted that in:

- Sub-Section 10.1 The Senior Par Value Ratio was, at the Measurement Date falling in December 2011, 124.79%.
- Sub-Section 10.2 The Senior Interest Coverage Ratio was, at the Measurement Date falling in December 2011, 207.01%.
- Sub-Section 10.3 The Second Senior Par Value Ratio was, at the Measurement Date falling in December 2011, 103.41% and the Second Senior Par Value Test has been breached.
- Sub-Section 10.4 The Second Senior Interest Coverage Ratio was, at the Measurement Date falling in December 2011, 161.43%.
- Sub-Section 10.5 The Mezzanine Par Value Ratio was at the Measurement Date falling in December 2011, 87.58% and the Mezzanine Par Value Test has been breached.
- Sub-Section 10.6 The Mezzanine Interest Coverage Ratio was, at the Measurement Date falling in December 2011, 124.73%.
- Sub-Section 10.7 The Interest Diversion Coverage ratio was, at the Measurement Date falling in December 2011, 79.12% and the Interest Diversion Test has been breached.

Paragraph 13 (*Description of the Revolving Credit Facility Agreement*) is deleted.

SUBSCRIPTION AND SALE

Citibank, N.A., London Branch (the "**Purchaser**") will, pursuant to the Subscription Agreement to be dated on or about the Issue Date (the "**Subscription Agreement**"), agree with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for, or procure subscription and payment for, Class A Refinancing Notes at the initial issue price of 100 per cent. of their respective principal amounts. The Subscription Agreement entitles the Purchaser to terminate the Subscription Agreement in certain circumstances prior to payment being made to the Issuer.

It is a condition of the issuance of Class A Refinancing Notes that Class A Refinancing Notes be issued in the principal amount of €93,508,000.

The Issuer has agreed to indemnify the Purchaser, the Portfolio Manager, the Collateral Administrator, the Trustee and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Certain of the Collateral Debt Obligations may have been originally underwritten or placed by Citigroup Global Markets Limited. In addition, Citigroup Global Markets Limited may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Debt Obligations. In addition, Citigroup Global Markets Limited and any of its Affiliates may from time to time as a principal or through one or more investment funds that it manages, make investments in the equity securities of one or more of the issuers of the Collateral Debt Obligations with a result that one or more of such issuers may be or may become controlled by Citigroup Global Markets Limited or one or more of its Affiliates.

General

No action has been or will be taken by the Issuer that would or is intended to permit a public offering of Class A Refinancing Notes or possession or distribution of this Prospectus or any other offering material in relation to Class A Refinancing Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Class A Refinancing Notes, or distribution of this Prospectus or any other offering material relating to Class A Refinancing Notes, may be made in or from any jurisdiction except in compliance with any applicable laws and regulations.

If a jurisdiction requires that the offering be made by a licensed broker or dealer, the offering shall be made on behalf of the Issuer by a licensed broker or dealer in that jurisdiction.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Class A Refinancing Notes and for the listing of the Class A Refinancing Notes on the Irish Stock Exchange. The Issuer reserves the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Class A Refinancing Notes which may be offered. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person other than as provided above. Distribution of this Prospectus to any such U.S. person or to any person within the United States, other than any QIB and those persons, if any, retained to advise a QIB with respect thereto, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

United States

The Class A Refinancing Notes have not been and will not be registered under the Securities Act. The Class A Refinancing Notes (and any beneficial interest therein) may not be offered, sold, delivered, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S) except to QIBs in reliance on Rule 144A who are also "qualified purchasers" (within the meaning of Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder). Each purchaser of a Class A Refinancing Notes agrees to be bound by the foregoing restriction on purchases and transfers and to make certain representations and undertakings in respect thereof upon purchasing Class A Refinancing Notes (or any beneficial interests therein).

The Issuer proposes to offer and sell Class A Refinancing Notes only (a) in the United States or to U.S. Persons who are QIBs in reliance on Rule 144A who are also "qualified purchasers" (within the

meaning of Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder) and (b) outside the United States to non-U.S. Persons in reliance on Regulation S.

The Issuer has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Regulation S Notes, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. Persons and that it will send to each distributor, dealer or other person receiving a selling commission, fee or other remuneration to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers, sales and deliveries of the Class A Refinancing Notes within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Class A Refinancing Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in compliance with Rule 144A or pursuant to another available exemption from registration under the Securities Act.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Class A Refinancing Notes

Following the expiration of the Distribution Compliance Period, a beneficial interest in a Regulation S Global Note may be transferred to a person who wishes to take delivery of such interest through a beneficial interest in a Rule 144A Global Note only upon receipt by the Registrar of a written certification (in the applicable form provided in the Trust Deed) to the effect that such transfer is being made to a person that is a QIB who is also a Qualified Purchaser (for the purposes of the Investment Company Act) and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Neither U.S. Persons (as defined in Regulation S under the Securities Act) nor U.S. residents (as determined for the purposes of the Investment Company Act) may hold an interest in a Regulation S Global Note at any time. A beneficial interest in a Rule 144A Global Note may be transferred to a person who wishes to take delivery of such interest through a Regulation S Global Note of such Class only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Trust Deed) to the effect that such transfer is being made to a non-U.S. person outside the United States in accordance with Regulation S of the Securities Act.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged as follows:

- (a) such person acknowledges that this Prospectus is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Class A Refinancing Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such person agrees not to make any photocopies of this Prospectus or any documents referred to herein and, if such person does not purchase any Class A Refinancing Notes or the Offering is terminated, to return this Prospectus and all documents referred to herein to the Issuer.

Each purchaser who becomes a beneficial owner of Rule 144A Notes will be deemed to have represented, agreed and acknowledged as follows:

- (a) (i) it is a QIB, (ii) it is acquiring such Rule 144A Notes for its own account or for the account of a QIB; and (iii) it or such account is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A under the Securities Act;
- (b) it understands that (i) the Rule 144A Notes have not been and will not be registered under the Securities Act, (ii) the Issuer has not registered and will not register under the Investment Company Act and (iii) none of the Class A Refinancing Notes may be offered or sold to any person except as set forth herein.
- (c) it and each account with respect to which it exercises sole investment discretion (i) is a Qualified Purchaser, (ii) is not formed for the purpose of investment in the Class A Refinancing Notes, unless all of its beneficial owners are Qualified Purchasers, (iii) is not a dealer referred to in paragraph (a)(1)(ii) of Rule 144A unless it owns and invests on a discretionary basis at least \$25 million in securities of issuers that are not affiliated persons of such dealer, (iv) is not a plan referred to in paragraph (a)(1)(i)(D) or (E) of Rule 144A or a trust fund referred to in paragraph (A)(1)(i)(F) of Rule 144A that holds the assets of such plan, unless investment decisions are made solely by the fiduciary, trustee or sponsor of such plan, (v) is purchasing the Class A Refinancing Notes in at least a minimum denomination of €250,000 and (vi) will provide written notice of the foregoing and any other applicable transfer restrictions to any transferee;
- (d) it understands that transfers in violation of the transfer restrictions herein will be of no force and effect, will be void *ab initio*, and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer, the Trustee or any intermediary. If the Issuer determines that any beneficial owner or holder of Class A Refinancing Notes that is a U.S. Person is not a QIB and a Qualified Purchaser, the Issuer will require that such beneficial owner or holder sell all of its right, title and interest in such Class A Refinancing Notes to a person who is a QIB and a Qualified Purchaser, with such sale to be effected within 30 days after notice of such sale requirement is given. If such sale is not effected within such 30 days, upon written direction from the Issuer, the Trustee will be authorised to conduct a commercially reasonable sale of such Class A Refinancing Notes to a person who is a QIB and a Qualified Purchaser and, pending transfer, no further payments will be made in respect of such Class A Refinancing Notes or any beneficial interest therein;
- (e) it shall not resell or otherwise transfer any of the Class A Refinancing Notes except (i) to the Issuer, (ii) to a person that is a QIB and a Qualified Purchaser in a transaction meeting the requirements of Rule 144A under the Securities Act or (iii) in an offshore transaction and not to, or for the account or benefit of, a U.S. Person in accordance with Regulation S under the Securities Act;
- (f) it understands that Definitive Registered Notes representing such Rule 144A Notes, unless the Issuer thereof determines otherwise in compliance with applicable law, will bear a legend to the following effect:

"THE ISSUER OF THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), AND THIS [NOTE/GLOBAL NOTE] HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION.

EACH PERSON ACQUIRING AN INTEREST IN THIS NOTE IS DEEMED TO (1) REPRESENT THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) (A "QIB") THAT IS ALSO A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER) (A "QUALIFIED PURCHASER") OR (B) IT IS NOT A "U.S. PERSON" AND IS ACQUIRING SUCH INTEREST IN AN "OFFSHORE TRANSACTION"

PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND (2) AGREE THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER SUCH INTEREST EXCEPT (A) TO THE ISSUER; (B) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT IS A QIB AND A QUALIFIED PURCHASER THAT (I) IS NOT FORMED FOR THE PURPOSE OF INVESTMENT IN THIS NOTE, UNLESS ALL OF ITS BENEFICIAL OWNERS ARE QUALIFIED PURCHASERS, (II) IS NOT A DEALER REFERRED TO IN PARAGRAPH (a)(1)(ii) OF RULE 144A UNLESS IT OWNS AND INVESTS ON A DISCRETIONARY BASIS AT LEAST \$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF SUCH DEALER, (III) IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (IV) IS PURCHASING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QUALIFIED PURCHASER IN AT LEAST A MINIMUM DENOMINATION OF €250,000 AND (V) WILL PROVIDE WRITTEN NOTICE OF THE FOREGOING AND ANY OTHER APPLICABLE TRANSFER RESTRICTIONS TO ANY TRANSFEREE; OR (C) IN AN OFFSHORE TRANSACTION AND NOT TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OF THIS NOTE, THE TRUSTEE OR ANY INTERMEDIARY. IF THE ISSUER DETERMINES THAT ANY BENEFICIAL OWNER OR HOLDER OF AN INTEREST IN THIS NOTE THAT IS A U.S. PERSON IS NOT A QIB AND A QUALIFIED PURCHASER, THE ISSUER WILL REQUIRE THAT SUCH BENEFICIAL OWNER OR HOLDER SELL ALL OF ITS RIGHT, TITLE AND INTEREST IN THIS NOTE TO A PERSON WHO IS A QIB AND A QUALIFIED PURCHASER, WITH SUCH SALE TO BE EFFECTED WITHIN 30 DAYS AFTER NOTICE OF SUCH SALE REQUIREMENT IS GIVEN. IF SUCH SALE IS NOT EFFECTED WITHIN SUCH 30 DAYS, UPON WRITTEN DIRECTION FROM THE ISSUER, THE TRUSTEE WILL BE AUTHORISED TO CONDUCT A COMMERCIALY REASONABLE SALE OF SUCH NOTES TO A PERSON WHO IS A QIB AND A QUALIFIED PURCHASER AND, PENDING TRANSFER, NO FURTHER PAYMENTS WILL BE MADE IN RESPECT OF SUCH NOTES OR ANY BENEFICIAL INTEREST THEREIN."

THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN SUBJECT TO THE PROHIBITED TRANSACTION PROVISIONS OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR ANY OTHER PLAN SUBJECT TO ANY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAW EXCEPT IN ACCORDANCE WITH SCHEDULE 5 OF THE TRUST DEED.

- (g) it acknowledges that the Issuer, the Principal Paying Agent, the Registrar, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring the Rule 144A Notes for the account of a QIB who is also a Qualified Purchaser for the purposes of the Investment Company Act, it represents that it has sole investment discretion with respect to such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;
- (h) it understands that the Rule 144A Notes offered in reliance on Rule 144A will bear the legend set out above. The Rule 144A Notes may not at any time be held by, or on behalf of, U.S. Persons that are not QIBs who are also Qualified Purchasers for the purposes of the Investment Company Act. The legend set forth on any Rule 144A Note representing any Class A Refinancing Notes will also include the following:

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, THE NOMINEE

OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF THE NOMINEE OF DTC OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO THE NOMINEE OF DTC).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

- (i) it is not purchasing the Rule 144A Notes with the intent or purpose of evading, either alone or in conjunction with any other person, the provisions of the Investment Company Act;
- (j) in the case of Rule 144A Notes only, (i) either (1) it is not, and it is not acting on behalf of, an employee benefit plan or other plan subject to the prohibited transaction provisions of the United States Employee Retirement Income Security Act of 1974, as amended ("[ERISA](#)"), or Section 4975 of the United States Internal Revenue Code of 1986, as amended ("[Code](#)"), or any entity which may be deemed to hold assets of any such plan, or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and no part of the assets to be used by it to purchase or hold such Rule 144A Notes or any interest therein constitutes the assets of any such employee benefit plan or plan, or (2)(A) the Class A Refinancing Notes are rated investment grade or better as of the date of acquisition, (B) it believes that the Class A Refinancing Notes are properly treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation and agrees to so treat the Class A Refinancing Notes and (C) its purchase, holding and disposition of such Class A Refinancing Notes do not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, a violation of any similar federal, state, local or non-U.S. law); and (ii) it agrees not to sell or otherwise transfer any interest in such Class A Refinancing Notes other than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such Rule 144A Notes;
- (k) it is acquiring such Class A Refinancing Notes as principal for its own account for investment and not for sale in connection with any distribution thereof, it was not formed for the specific purpose of investing in such Class A Refinancing Notes or any other securities of the Issuer, and additional capital or similar contributions were not specifically solicited from any person owning a beneficial interest in such beneficial owner for the purpose of enabling such beneficial owner to purchase any Class A Refinancing Notes. Such beneficial owner is not a (i) corporation, (ii) partnership, (iii) common trust fund or (iv) special trust, pension, profit sharing or other retirement trust fund or plan in which the shareholders, equity owners, partners, beneficiaries, beneficial owners or participants, as applicable, may designate the particular investments to be made or the allocation of any investment among such shareholders, equity owners, partners, beneficiaries, beneficial owners or participants, and such beneficial owner represents and agrees that it shall not hold such Class A Refinancing Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes and that it shall not sell participation interests in such Class A Refinancing Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Class A Refinancing Notes and further that such Class A Refinancing Notes purchased directly or indirectly by it constitute an investment of no more than 40 per cent. of such beneficial owner's assets after giving effect to its purchase of Class A Refinancing Notes and/or other securities of the Issuer. Such beneficial owner is not an investment company that relies on the exclusion from the definition of "investment company" provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. Persons), which was formed on or before April 30, 1996, unless it has

received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a Qualified Purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules and regulations thereunder. Such beneficial owner understands and agrees that any purported transfer of such Class A Refinancing Notes to a purchaser (including, without limitation, the transfer of Class A Refinancing Notes to such beneficial owner) that does not comply with the requirements of this paragraph or clause (a) above shall be null and void *ab initio* and, as set forth in paragraph (d) below, the Issuer retains the right to resell any Class A Refinancing Notes sold to any purchaser (including, without limitation, such beneficial owner) unless such purchaser complies with this paragraph.

Each person purchasing Rule 144A Notes from Issuer acknowledges that (i) it has been afforded an opportunity to request from the Issuer thereof and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of the information herein; (ii) it has not relied on the Portfolio Manager or any person affiliated with the Portfolio Manager in connection with its investigation of the accuracy of the information contained in this Prospectus or its investment decision; (iii) no person has been authorised to give any information or to make any representation concerning the Issuer or the Rule 144A Notes other than those contained in this Prospectus and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have represented and agreed as follows:

- (a) it is, and the person, if any, for whose account it is acquiring the Class A Refinancing Notes is, located outside the United States and is not a U.S. Person (as defined in Regulation S);
- (b) it understands that the Class A Refinancing Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer that, if it decides to resell, pledge or otherwise transfer such Class A Refinancing Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Class A Refinancing Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person it reasonably believes is a QIB who is also a Qualified Purchaser for the purposes of the Investment Company Act purchasing for its own account or for the account of a QIB, who is also a Qualified Purchaser for the purposes of the Investment Company Act in a transaction that meets the requirements of Rule 144A; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S;
- (c) it understands that unless the Issuer determines otherwise in compliance with applicable law, such Class A Refinancing Notes will bear a legend to the effect set forth in paragraph (f) under "Rule 144A Notes" above;
- (d) it acknowledges that the Issuer, the Registrar, the Custodian, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements;
- (e) it understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. residents;
- (f) in the case of Regulation S Notes representing Class A Refinancing Notes, (i) either (1) it is not, and it is not acting on behalf of, an employee benefit plan or other plan subject to the prohibited transaction provisions of ERISA or Section 4975 of the Code, or any entity which may be deemed to hold assets of any such plan, or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and no part of the assets to be used by it to purchase or hold such Regulation S Notes or any interest therein constitutes the assets of any such employee benefit plan or plan, or (2)(A) the Class A Refinancing Notes are rated investment grade or better as of the date of acquisition, (B) it believes that the Class A Refinancing Notes are properly treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation and agrees to so treat the Class A Refinancing Notes and (C) its purchase, holding and

disposition of such Class A Refinancing Notes do not and will not constitute or otherwise result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-U.S. plan, a violation of any similar federal, state, local or non-U.S. law); and (ii) it agrees not to sell or otherwise transfer any interest in such Class A Refinancing Notes other than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such Regulation S Notes;

- (g) it understands that Definitive Registered Notes representing such Regulation S Notes will, unless the Issuer thereof determines otherwise in compliance with applicable law, bear a legend to the following effect:

"THE ISSUER OF THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), AND THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION.

EACH PERSON ACQUIRING AN INTEREST IN THIS NOTE IS DEEMED TO (1) REPRESENT THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) (A "QIB") THAT IS ALSO A "QUALIFIED PURCHASER" (WITHIN THE MEANING OF SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER) (A "QUALIFIED PURCHASER") OR (B) IT IS NOT A "U.S. PERSON" AND IS ACQUIRING SUCH INTEREST IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND (2) AGREE THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER SUCH INTEREST EXCEPT (A) TO THE ISSUER; (B) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT IS A QIB AND A QUALIFIED PURCHASER THAT (I) IS NOT FORMED FOR THE PURPOSE OF INVESTMENT IN THIS NOTE, UNLESS ALL OF ITS BENEFICIAL OWNERS ARE QUALIFIED PURCHASERS, (II) IS NOT A DEALER REFERRED TO IN PARAGRAPH (a)(1)(ii) OF RULE 144A UNLESS IT OWNS AND INVESTS ON A DISCRETIONARY BASIS AT LEAST \$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF SUCH DEALER, (III) IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH PLAN, UNLESS INVESTMENT DECISIONS ARE MADE SOLELY BY THE FIDUCIARY, TRUSTEE OR SPONSOR OF SUCH PLAN, (IV) IS PURCHASING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QUALIFIED PURCHASER IN AT LEAST A MINIMUM DENOMINATION OF €250,000 AND (V) WILL PROVIDE WRITTEN NOTICE OF THE FOREGOING AND ANY OTHER APPLICABLE TRANSFER RESTRICTIONS TO ANY TRANSFEREE; OR (C) IN AN OFFSHORE TRANSACTION AND NOT TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OF THIS NOTE, THE TRUSTEE OR ANY INTERMEDIARY. IF THE ISSUER DETERMINES THAT ANY BENEFICIAL OWNER OR HOLDER OF AN INTEREST IN THIS NOTE THAT IS A U.S. PERSON IS NOT A QIB AND A QUALIFIED PURCHASER, THE ISSUER WILL REQUIRE THAT SUCH BENEFICIAL OWNER OR HOLDER SELL ALL OF ITS RIGHT, TITLE AND INTEREST IN THIS NOTE TO A PERSON WHO IS A QIB AND A QUALIFIED PURCHASER, WITH SUCH SALE TO BE EFFECTED WITHIN 30 DAYS AFTER NOTICE OF SUCH SALE REQUIREMENT IS GIVEN. IF SUCH SALE IS NOT EFFECTED WITHIN SUCH 30 DAYS, UPON WRITTEN DIRECTION FROM THE ISSUER, THE TRUSTEE WILL BE AUTHORISED TO CONDUCT A COMMERCIALY REASONABLE SALE OF SUCH NOTES TO A PERSON WHO IS

A QIB AND A QUALIFIED PURCHASER AND, PENDING TRANSFER, NO FURTHER PAYMENTS WILL BE MADE IN RESPECT OF SUCH NOTES OR ANY BENEFICIAL INTEREST THEREIN.

THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN SUBJECT TO THE PROHIBITED TRANSACTION PROVISIONS OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR ANY OTHER PLAN SUBJECT TO ANY SIMILAR FEDERAL, STATE, LOCAL OR NON-U.S. LAW EXCEPT IN ACCORDANCE WITH SCHEDULE 5 OF THE TRUST DEED."

GENERAL INFORMATION

1. Clearing Systems

The Regulation S Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg, with the following Common Codes and International Securities Identification Numbers ("ISIN") and the Rule 144A Notes have been accepted for clearance through DTC with the following ISINs and CUSIPs.

	Regulation S Notes		Rule 144A Notes	
	ISIN	Common Code	ISIN	CUSIP
Class A Refinancing Senior Floating Rate Notes	XS0311199524	031119952	US265082 AB31	265082 AB3

2. Listing

Application has been made to the Irish Stock Exchange for the Class A Refinancing Notes to be admitted to the Official List and trading on its regulated market. Prior to the listing, a legal notice relating to the issue of the Class A Refinancing Notes and copies of the constitutional documents of the Issuer will be deposited with the Companies Announcement Office of the Irish Stock Exchange where such documents may be examined and copies obtained upon request. If such listing is approved by the Irish Stock Exchange, such documents will be available at the Registrar of Companies in Ireland. The estimated total expenses related to the admission to trading is €3,000.

3. Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Class A Refinancing Notes. The issue of the Class A Refinancing Notes is authorised by resolutions of the board of directors of the Issuer passed on 7 March 2012.

4. No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since 31 December 2010 (such date being the date of the Issuer's last audited financial statements) save as described in this Prospectus.

5. No Litigation

The Issuer is not involved, and has not been involved, in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position.

6. No Operations

Since the date of incorporation, the Issuer has not commenced any operations other than the acquisition and financing of Collateral Debt Obligations and those operations and transactions contemplated by the Transaction Documents.

7. Documents Available

So long as any of the Class A Refinancing Notes are Outstanding, copies of the following documents will be available for inspection in physical format at the offices of the Irish Paying Agent and at the registered office of the Issuer:

- (a) the Memorandum and Articles of Association of the Issuer;

- (b) the Subscription Agreement for the Class A Refinancing Notes;
- (c) the Supplemental Trust Deed (which includes the form of the Class A Refinancing Note);
- (d) the Agency Agreement;
- (e) the Portfolio Management Agreement;
- (f) the Collateral Administration Agreement;
- (g) the Corporate Services Agreement;
- (h) any Hedge Agreement;
- (i) the Revolving Credit Facility Agreement;
- (j) the Euroclear Pledge Agreement; and
- (k) the Subordinated Note Purchase Agreement.

In addition, for so long as any of the Class A Refinancing Notes are outstanding, the following documents will be available to interested persons for inspection at, and copies thereof may be obtained free of charge upon request from, the Irish Paying Agent on Business Days and at the registered office of the Issuer:

- (a) each Monthly Report;
- (b) each Note Valuation Report; and
- (c) each annual audited financial statement of the Issuer for its 2009 and 2010 financial years.

8. Change of name of certain Parties

On 9 February, 2011 the Trustee changed its name to US Bank Trustees Limited and on 5 September, 2011, the roles of Collateral Administrator, Principal Paying Agent, Custodian, Account Bank, Transfer Agent, Calculation Agent and Exchange Agent were each transferred from The Royal Bank of Scotland N.V. (London Branch) to Elavon Financial Services Limited and this Prospectus should be read and construed accordingly.

DEFINED TERMS

In construing the meaning of a Defined Term used herein and in any section of the 2007 Prospectus which is incorporated herein, reference should be made to the Glossary of Defined terms in the 2007 Prospectus and the corresponding page reference in the 2007 Prospectus.

REGISTERED OFFICE OF THE ISSUER

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TRUSTEE

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United Kingdom

**COLLATERAL ADMINISTRATOR, CUSTODIAN,
PRINCIPAL PAYING AGENT, EXCHANGE AGENT
AND TRANSFER AGENT**

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United Kingdom

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REGISTRAR

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