IMPORTANT NOTICE

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

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE SECURITIES LAWS NOR HAS THE ISSUER BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (THE "**INVESTMENT COMPANY ACT**"). THE NOTES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS WITHIN THE MEANING OF REGULATION S ("**REGULATION S**") UNDER THE SECURITIES ACT. THE NOTES ARE ONLY BEING OFFERED AND SOLD OUTSIDE OF THE UNITED STATES OR TO NON-US PERSONS IN "**OFFSHORE TRANSACTIONS**" (AS DEFINED IN REGULATION S) IN ACCORDANCE WITH, AND IN RELIANCE ON, REGULATION S.

WITHIN THE UNITED KINGDOM, THIS OFFERING CIRCULAR IS DIRECTED ONLY AT PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND WHO QUALIFY EITHER AS INVESTMENT PROFESSIONALS IN ACCORDANCE WITH ARTICLE 19(5) OR AS HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, PARTNERSHIPS OR TRUSTEES IN ACCORDANCE WITH ARTICLE 49(2) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (TOGETHER, "**EXEMPT PERSONS**"). IT MAY NOT BE PASSED ON EXCEPT TO EXEMPT PERSONS OR OTHER PERSONS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 DOES NOT APPLY (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THE OFFERING CIRCULAR MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE OFFERING CIRCULAR RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSONS OTHER THAN RELEVANT PERSONS SHOULD NOT ACT OR RELY ON THIS DOCUMENT.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: The Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that you are a Relevant Person and that you consent to delivery of the Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the Issuer in such, jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Bank of America Merrill Lynch nor any person who controls the manager nor any director, officer, employee or agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format herewith and the hard copy version available to you on request from Bank of America Merrill Lynch.

Taurus 2015–1 IT S.r.l.

(*incorporated with limited liability under the laws of the Republic of Italy with registration number 0881440969*)

€206,000,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2027
Class X Commercial Mortgage Backed Detachable Coupon
€23,000,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2027
€34,250,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2027
€23,175,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2027
(together, the "Notes")

This document constitutes a *prospetto informativo* for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999 (the "**Securitisation Law**"). This "**Offering Circular**" comprises a prospectus (the "**Prospectus**") for the purposes of Directive 2003/71/EC (as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area), the "**Prospectus Directive**").

Key Characteristics of the Notes

		Class A Notes	Class X Detachable Coupon	Class B Notes	Class C Notes	Class D Notes
Initial Principal Amount		€206,000,000	N/A	€23,000,000	€34,250,000	€23,175,000
Issue Price		100 per cent.	N/A	100 per cent.	100 per cent.	100 per cent.
Relevant Margin[(1)]		1.5 per cent.	Variable	1.9 per cent.	2.5 per cent.	4.1 per cent.[(3)]
Reference Rate[(2)]		Note EURIBOR (3-month)	N/A	Note EURIBOR (3-month)	Note EURIBOR (3-month)	Note EURIBOR (3-month)
Expected Maturity Date[(4)]		February 2020	N/A	February 2020	February 2020	February 2020
Final Maturity Date		February 2027	February 2027	February 2027	February 2027	February 2027
Ratings[(5)]	**DBRS**	A(high)sf	N/A	Asf	BBB(low)sf	BB(low)sf
	Fitch	A+sf	N/A	Asf	BBBsf	BBsf
Interest Accrual Method		Actual/360	Actual/360	Actual/360	Actual/360	Actual/360
Note Payment Dates[(6)]		Quarterly on 18 February, 18 May, 18 August and 18 November in each year (or, if such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day).				
First Note Payment Date		18 May 2015				
Application of Principal Available Funds		*Pro rata*, for as long as a Note Enforcement Notice has not been delivered; other than: (a) principal prepayments received under the Globe Loan; (b) principal amounts received as a result of a cash trap event on the related Loan; and (c) principal received on any Loan for which a Sequential Payment Trigger has occurred, which will be allocated sequentially toward repayment of the Notes. All other principal amounts or any time after a Note Enforcement Notice has been delivered, sequential.				
Business Day Convention		Modified following				
Minimum Denominations		€100,000 and integral multiples of €1,000 in excess thereof				
ISIN		IT0005085615	IT0005085706	IT0005085664	IT0005085672	IT0005085680
Common Code		119066689	N/A	119066735	119066751	119066786

(1) All of the Notes will bear interest on their Principal Amount Outstanding (i) at Note EURIBOR (3-month) plus the Relevant Margin specified above (except in respect of the first Note Interest Period, where an interpolated interest rate based on interest rates for 3 and 6 month deposits in euro which appears on the display page designated EURIBOR 01 on Reuters will be substituted) and (ii) Note EURIBOR will be capped at 5 per cent. following the Expected Maturity Date. The Class A Notes will bear an interest additional to the above, which will constitute the Class X Detachable Coupon; the calculation of such interest component is set out under Condition 6(e)(v) *(Rates of Interest)*.

(2) The Note Interest Rate is subject to a floor of zero per cent.

(3) On each Note Payment Date prior to the service of a Note Enforcement Notice, in which there is a positive difference between the Class D Interest Amount and the Class D Adjusted Interest Payment Amount (each as defined in Condition 6(j) (*Class D Notes Interest Available Funds Cap*)) which is attributable to a reduction in the interest-bearing balance of any of the Loans as a result of prepayments (whether arising voluntarily or otherwise), the maximum amount of interest then due and payable on the Class D Notes, as applicable, will be limited to the amount equal to the lesser of (i) the Class D Interest Amount that would be payable in respect of the Class D Notes, as calculated pursuant to Condition 6(e)(iv) (*Rates of Interest*) and (ii) the Class D Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest that would otherwise be due and payable in respect of the Class D Notes on such Note Payment Date or such other date on which funds are to be distributed.

(4) Based on the assumptions set out in "*Weighted Average life of the Notes*" at page 248.

(5) It is a condition to issuance of the Notes that the Notes receive the ratings set out above. The Rating Agencies have informed the Issuer that the "*sf*" designation in the ratings represents an identification of structured finance product ratings and was implemented by the rating agencies for ratings of structured finance products as of August 2010. For additional information about this identifier, prospective investors can go to www.fitchratings.com and www.dbrs.com.

(6) The Sole Arranger has the right to direct the Issuer to amend the Note Payment Dates to a day falling no later than 7 calendar days after that of the original Note Payment Dates, i.e., up to the 25 February, 25 May, 25 August and 25 November in each year (or if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day). Any such change shall affect all Note Payment Dates falling on or after it becomes effective. No consent by the Noteholders or by the Representative of the Noteholders shall be required in order to make the above change, **provided that** the Issuer will give a 30 day advance notice, pursuant to Condition 18 (*Notices*), to the Noteholders and, pursuant to the provisions of the Issuer Transaction Documents, to the Other Issuer Secured Creditors of such change and of the date from which it will become effective.

Before making any decision to invest in the Notes, potential Noteholders should pay particular attention to the section herein entitled "Risk Factors", starting on page 49.

Sole Arranger, Sole Bookrunner and Lead Manager

Bank of America Merrill Lynch

The date of this Offering Circular is 11 February 2015

Closing Date	The Issuer will issue the Notes in the Classes set out above on 12 February 2015 (the "**Closing Date**").
Underlying Assets	The Issuer will make payments on the Notes from payments of principal and interest received by the Issuer pursuant to the 95 per cent. of: (i) a €115,000,000 loan (the "**Globe Loan**") secured over three retail properties located in various locations in North Eastern Italy (the "**Globe Properties**"), (ii) a €101,500,000 loan (the "**Calvino Loan**") secured over nine office properties located in Northern Italy and Rome (the "**Calvino Properties**"); and (iii) an €85,000,000 loan (the "**Fashion District Loan**") secured over two retail properties located in Mantova and Molfetta, Italy (the "**Fashion District Properties**") originated by Bank of America N.A., Milan Branch (the "**Originator**") pursuant to three loan agreements (each, a "**Loan Agreement**" and, together, the "**Loan Agreements**") in the course of its business along with any other related documents and relevant security and purchased by the Issuer from the Originator pursuant to the Loan Portfolio Sale Agreement. The Issuer has purchased the Loan Portfolio on 23 January 2015. See the section entitled "*The Loan Portfolio and the Properties*" for more information.
Credit Enhancement	Subordination of junior ranking Notes. See Condition 3 (*Status, Priority and Segregation*) under "*Terms and Conditions of the Notes*" for more information.
Liquidity Support	Liquidity facility available to fund, *inter alia*, payments of interest in respect of the Most Senior Class of Notes in the amount of €19,000,000 as of the Closing Date (the "**Liquidity Facility**"). See the section entitled "*The Liquidity Facility Agreement*" for more information.
Redemption Provisions	Before the Final Maturity Date, the Notes will be subject to mandatory and optional redemption in whole or in part in certain circumstances (as set out in Condition 7 (*Redemption, Purchase and Cancellation*)). Unless previously redeemed in full in accordance with the Conditions, the Notes will be redeemed or cancelled on the Final Maturity Date.
Rating Agencies	DBRS Ratings Limited ("**DBRS**") and Fitch Ratings Ltd ("**Fitch**"). In this Offering Circular, DBRS and Fitch are referred to as, the "**Rating Agencies**" and each, a "**Rating Agency**". The ratings assigned to the Notes by the Rating Agencies, in each case, are subject to the Receivables, the Issuer Security, the Properties and other relevant structural features of the Securitisation, including, among other things, the short-term and the long term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, the Issuer Account Bank and each Hedge Counterparty and such ratings reflect only the views of the Rating Agencies. The ratings assigned by DBRS address the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations relating to the Notes in accordance with the terms under which the Notes have been issued. The ratings assigned to the Notes by Fitch are based on the ability of the Issuer to make timely payment of interest and ultimate repayment of principal with respect to the Notes in accordance with its obligations under the terms and conditions of the Notes, subject to the relevant Loan Transaction Security and the Properties and other relevant structural features of the transaction. The ratings assigned to the Notes reflect only the views of the Rating Agencies. Each of the Rating Agencies are established in the European Union and are registered for the purpose of the Regulation (EU) No 1060/2009, as amended, and any guidelines or other directions or regulatory technical standards published by the European Securities and Markets Authority or the European Central Bank, including in connection with its repo and open market operations, including guideline ECB/2011/14 (the "**CRA Regulation**"), as resulting from the list of registered credit rating agencies published by the European Securities and Markets Authority ("**ESMA**"), on its website (www.esma.europa.eu/page/list-registered-and-certified-CRAs) in accordance with the CRA Regulation.
Credit Ratings	Ratings are expected to be assigned to the Notes as set out above on or before the Closing Date. The ratings address the likelihood of timely payment of interest on the Notes on each Note Payment Date and the ultimate repayment of principal on the Final Maturity Date. The ratings do not address the likelihood of payment of any Note Premium Amount. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by any or both of the Rating Agencies.
Listing	The Offering Circular has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC. The Central Bank of Ireland only approves this Offering Circular as meeting the requirements imposed under the Irish and EU law pursuant to the Directive 2003/71/EC. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes of the Issuer, a *società a responsabilità limitata con socio unico* organised under the laws of the Republic of Italy and in particular the Securitisation Law to be admitted to the Official List of the Irish Stock Exchange (the "**Official List**") and trading on its regulated market.
Securitisation Law	By virtue of the operation of article 3 of the Securitisation Law and the Issuer Transaction Documents, the Issuer's right, title and interest in and to the Loan Portfolio and to any sums collected therefrom will be segregated from all other assets of the Issuer (including any other portfolios of receivables purchased by the Issuer pursuant to the Securitisation Law) and any cash-flow deriving therefrom (to the extent identifiable) will be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to the Other Issuer Secured Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation, in priority to the Issuer's obligations to any other creditors, subject to the applicable Priority of Payments and any Issuer Priority Payments. For these purposes, "**Securitisation**" means the securitisation of the Loan Portfolio made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law and the "**Loan Portfolio**" means the portfolio of Receivables comprising claims arising from the Loans, all Loan Transaction Security and any other related documents purchased on 23 January 2015 by the Issuer pursuant to the terms and conditions of the Loan Portfolio Sale Agreement.
Obligations	The Notes will be limited recourse obligations of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of either Bank of America N.A., Merrill Lynch International or any of their respective affiliates or any other party named in this Offering Circular.
Retention Undertaking	The Originator, in its capacity as "**Retention Holder**", will undertake to the Issuer and the Representative of the Noteholders, on behalf of the Noteholders, that it will retain, on an on-going basis, a material net economic interest which will in any event not be less than 5 per cent., in accordance with Article 405 of Regulation (EU) No 575/2013 (the "**Capital Requirements Regulation**") and Article 51 of Regulation (EU) No 231/2013 (the "**AIFM Regulation**"). Such interest will be comprised of at least a 5 per cent. *pari passu* interest in the receivables under each Loan Agreement. See the section entitled "*Risk Retention Requirements*" for more information.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY UNITED STATES STATE SECURITIES LAWS NOR HAS THE ISSUER BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT. THE NOTES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO THE ACCOUNT OR BENEFIT OF U.S. PERSONS. THE NOTES ARE BEING OFFERED AND SOLD TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE

SECURITIES ACT. THE NOTES ARE NOT TRANSFERABLE EXCEPT UPON SATISFACTION OF CERTAIN CONDITIONS AS DESCRIBED UNDER "*SUBSCRIPTION, SALE AND SELLING RESTRICTIONS*" HEREIN.

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

As of the Closing Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holders. Monte Titoli will act as depository for Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium, as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, *société anonyme*, 42 Avenue J.F. Kennedy, L-1855 Luxembourg ("**Clearstream**"). The Notes will at all times be evidenced by book-entries in accordance with the provisions of the Italian Legislative Decree number 58 of 24 February 1998 and the Joint Regulation, as amended and supplemented. No physical document of title will be issued in respect of the Notes.

IMPORTANT NOTICE

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

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

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

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

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

Where information has been indicated to have been sourced from a third party (see the section titled "*The Loan Portfolio and the Properties*"), the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by or documentation deriving from such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Merrill Lynch International accepts responsibility for the information contained in the section of this Offering Circular entitled "*Description of the Hedge Counterparties*", insofar as the same relates to it. To the best of the knowledge and belief of Merrill Lynch International (having taken all reasonable care to ensure that such is the case), the information contained in the section of this Offering Circular entitled "*Description of the Hedge Counterparties*" (insofar as the same relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Bank of America, N.A. accepts responsibility for the information contained in the section of this Offering Circular titled "*Description of the Liquidity Facility Provider*", insofar as the same relates to it. To the best of the knowledge and belief of Bank of America, N.A. (having taken all reasonable care to ensure that such is the case), the information contained in the section of this Offering Circular entitled "*Description of the Liquidity Facility Provider*", (insofar as the same relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Mount Street Mortgage Servicing Limited accepts responsibility for the information contained in the section of this Offering Circular titled "*Description of the Delegate Primary Servicer and the Delegate Special Servicer*", insofar as the same relates to it. To the best of the knowledge and belief of Mount Street Mortgage Servicing Limited (having taken all reasonable care to ensure that such is the case), the information contained in the section of this Offering Circular entitled "*Description of the Delegate Primary Servicer and the Delegate Special Servicer*" (insofar as the same relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Other than as described above in relation to the sections titled "*Description of the Hedge Counterparties*", "*Description of the Liquidity Facility Provider*" *and* "*Description of the Delegate Primary Servicer and the Delegate Special Servicer*", none of the Originator, the Sole Arranger, the Lead Manager, the Other Issuer

Secured Creditors or the Borrowers has separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Originator, the Sole Arranger, the Lead Manager or the Other Issuer Secured Creditors or the Borrowers (the latter in particular not having taken part nor having been involved in any manner and in any respect in the Securitisation) as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Notes. Each person receiving this Offering Circular acknowledges that such person has not relied on the Originator, the Sole Arranger, the Lead Manager, the Other Issuer Secured Creditors or the Borrowers or on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

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

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

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

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

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

OFFEREE ACKNOWLEDGEMENTS

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

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

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

FORWARD-LOOKING STATEMENTS

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

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

REFERENCES TO CURRENCIES

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

SOURCES OF MARKET DATA, FINANCIAL DATA AND OTHER REFERENCES

The Offering Circular contains or refers to figures (all subject to commercial rounding), market data, analyst reports, and other publicly available information about the market which are based on published market data or figures from publicly available sources.

To the extent that information contained in this Offering Circular was derived from third-party sources (see the section titled "*The Loan Portfolio and the Properties*"), the Issuer confirms that such information is accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the information reproduced in this Offering Circular inaccurate or misleading.

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

RISK RETENTION REQUIREMENTS

Capital Requirements Regulation

Please see the section entitled "*Risk Factors—Considerations Relating to Tax, Regulatory and Legal Issues—Regulation Affecting Investors in Securitisations*" for further information on the implications of the Capital Requirements Regulation risk retention requirements for investors.

Retention Statement

The Originator, in its capacity as Retention Holder, will undertake to the Issuer and the Representative of the Noteholders, on behalf of the Noteholders, that it will retain, on an ongoing basis, a material net economic interest on the receivables under each Loan of not less than 5 per cent. of the nominal value of the Principal Amount Outstanding of the Notes in accordance with the Capital Requirements Regulation and Article 51 of the AIFM Regulation which, in each case, does not take into account any corresponding national measures (the "**Risk Retention Requirements**"). As at the Closing Date, such interest will be comprised of at least a 5 per cent. *pari passu* interest in the securitised exposures, which are the receivables under each Loan Agreement, as required by each of Article 405(a) of the Capital Requirements Regulation and Article 51 of the AIFM Regulation. Any change to the manner in which such interest is held will be notified to the Noteholders in accordance with the Conditions.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Offering Circular and, after the Closing Date, to the quarterly reports. In such quarterly reports, relevant information with regard to the receivables in relation to each Loan will be disclosed publicly together with an overview of the retention and/or any changes in the method of retention of the material net economic interest by the Retention Holder.

Investors to Assess Compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Offering Circular generally for the purposes of complying with each of Part Five of the Capital Requirements Regulation (including Article 405 of the Capital Requirements Regulation) and Section Five of Chapter III of the AIFM Regulation (including Article 51 of the AIFM Regulation) and any corresponding national measures which may be relevant and none of the Issuer, the Originator, the Sole Arranger, the Lead Manager or any Other Issuer Secured Creditor makes any representation that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes.

CRA REGULATION REQUIREMENTS

The Issuer will publish the information publication of which is required pursuant to article 8b (Information on structured finance instruments) of CRA Regulation, as amended by Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 and as implemented by the RTS published by ESMA and adopted by the Commission Delegated Regulation (EU) 2015/1 of 30 September 2014 (the "**RTS**"), on the website that will be set up by ESMA in accordance with the above regulations (the relevant disclosure obligations, the "**CRA Disclosure Obligations**").

The Master Servicer will act as reporting entity on behalf of the Issuer, and also in the interest of the other entities that are subject to the CRA Disclosure Obligations.

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OVERVIEW

Transaction Overview Diagram

The following diagrams show the structure of the Securitisation as at the Closing Date. They are not intended to be an exhaustive description of such matters. Prospective Noteholders should also read the detailed information set out elsewhere in this Offering Circular for a more thorough description of the transaction structure and relevant cashflows prior to making any investment decision.

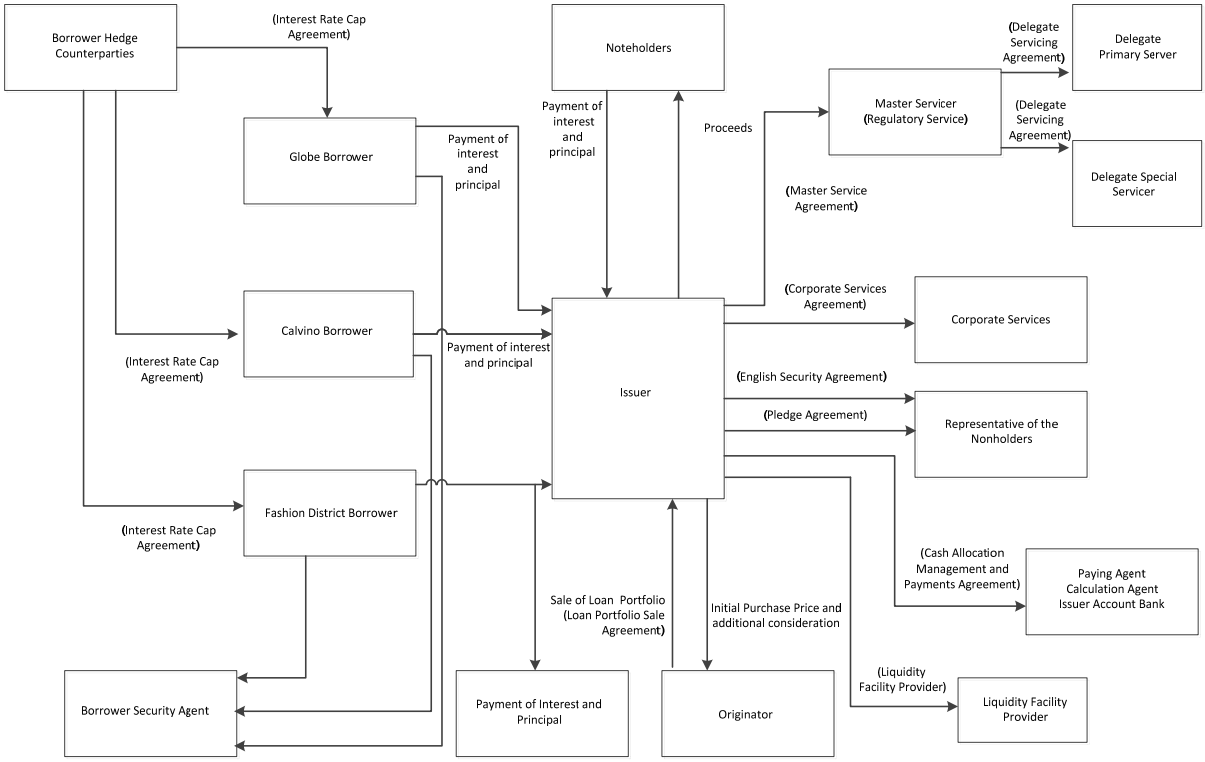
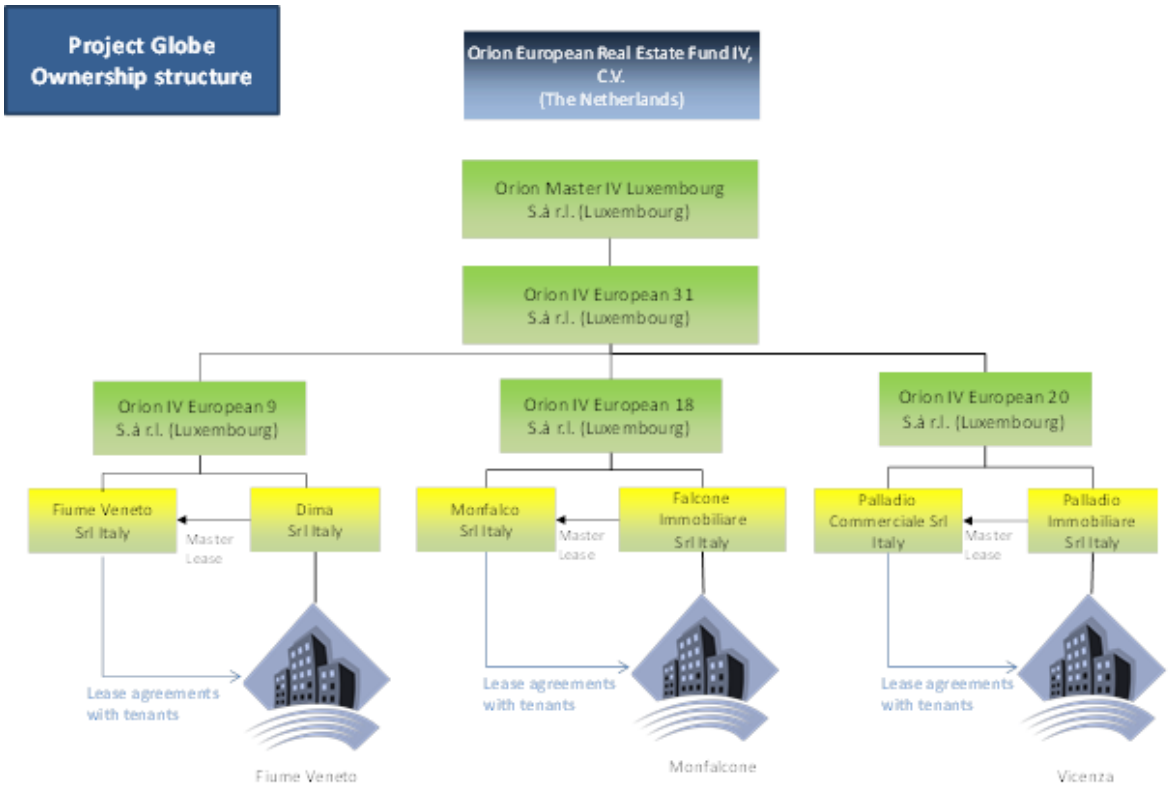


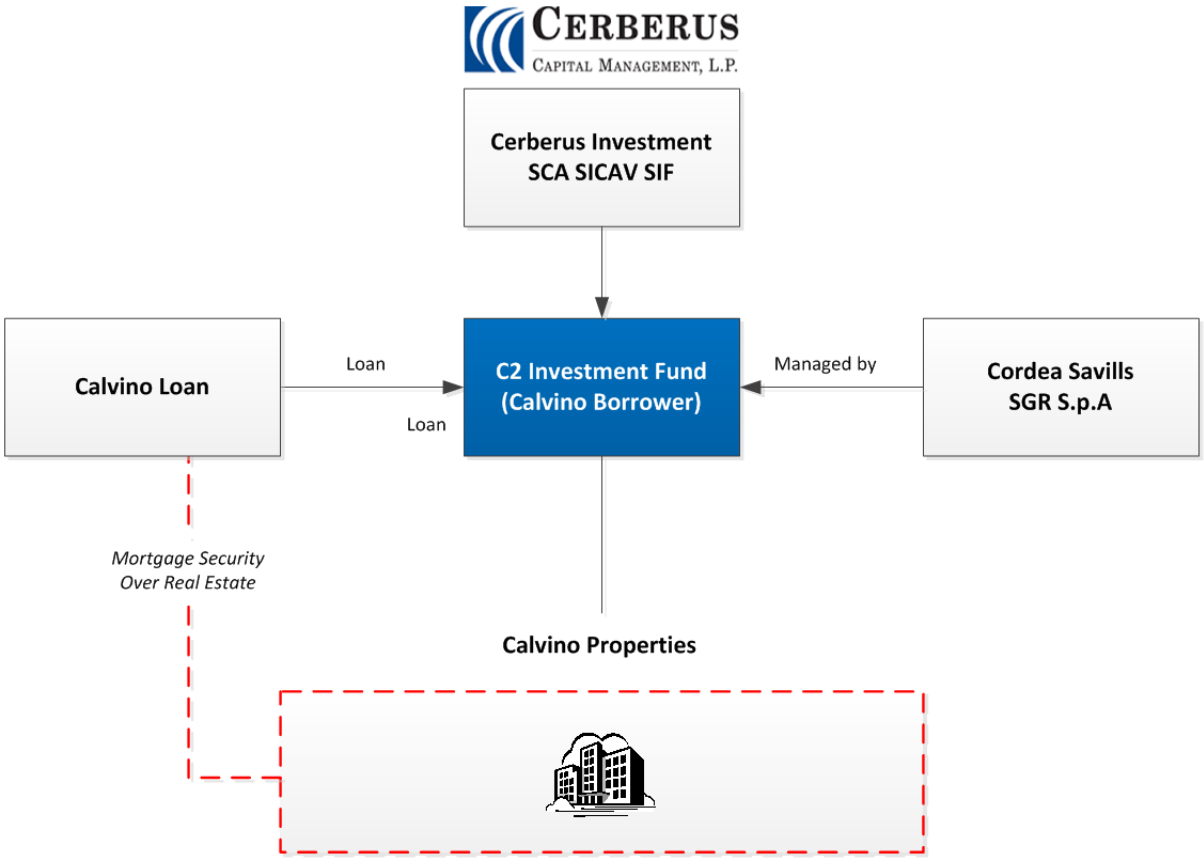
Diagram of the Ownership Structure of the Borrowers

The following diagrams show the ownership structure of the Borrowers as at the Closing Date. They are not intended to be an exhaustive description of such matters. None of the parties in the structure chart have any obligations in respect of the Notes or the Loans, other than as specifically set forth in this Offering Circular, as described under the heading "*The Loan Portfolio and the Properties*".

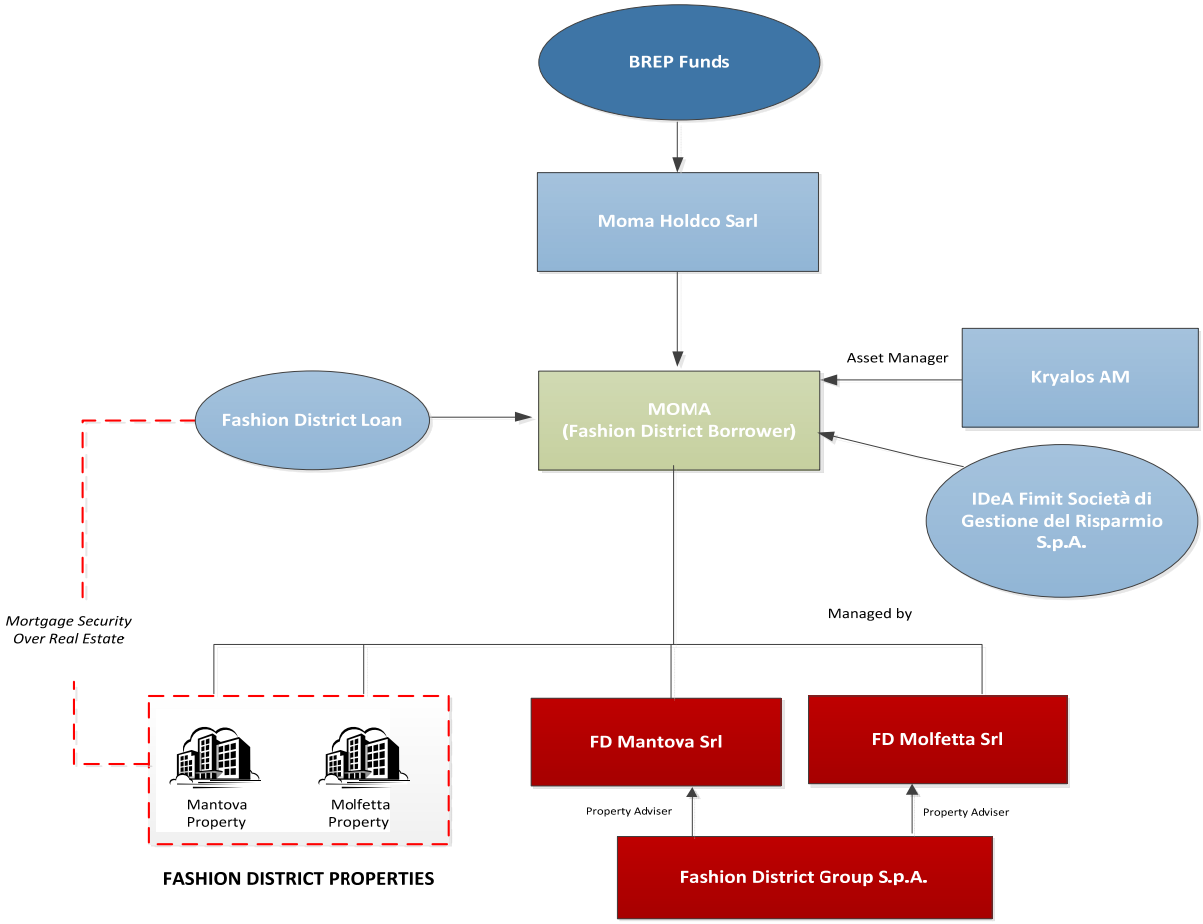
GLOBE BORROWER



CALVINO BORROWER



FASHION DISTRICT BORROWER



Transaction Overview

The information set out below is an overview of various aspects of the Securitisation and is qualified in its entirety by reference to the more information presented elsewhere in this Offering Circular and in the Issuer Transaction Documents.

Other Issuer Secured Creditors on or prior to the Closing Date

Party	Name	Address	Document under which Appointed/Further Information
"**Issuer**"	Taurus 2015–1 IT S.r.l.	Via Gustavo Fara, 26 20124 Milan, Italy	N/A. See the section entitled "*The Issuer*" for further information.
"**Originator**"	Bank of America, N.A., Milan Branch	Via Manzoni 5 Milan, Italy	N/A
"**Sole Arranger**" and "**Sole Bookrunner**"	Bank of America Merrill Lynch ("**Merrill Lynch International**")	2 King Edward Street London EC1A 1HQ United Kingdom	N/A
"**Lead Manager**"	Merrill Lynch International	2 King Edward Street London EC1A 1HQ United Kingdom	N/A
"**Master Servicer**"	Zenith Service S.p.A.	Registered Office: Via Guidubaldo del Monte 61 00197 Rome, Italy Administrative Office: Via Gustavo Fara, 26 20124 Milan, Italy	The Master Servicer will act as servicer of the Loan Portfolio pursuant to a master servicing agreement to be entered into on or prior to the Closing Date between the Issuer and the Master Servicer (the "**Master Servicing Agreement**"). See the section entitled "*Servicing Arrangements for the Loans*" for further information.
"**Delegate Primary Servicer**"	Mount Street Mortgage Servicing Limited	3rd Floor New City Court 20 St. Thomas Street London SE1 9RS United Kingdom	The Master Servicer will delegate the Primary Services to the Delegate Primary Servicer pursuant to a delegate servicing agreement to be entered into on or prior to the Closing Date between the Master Servicer and the Delegate Primary Servicer (the "**Delegate Servicing Agreement**"). See the section entitled "*Description of the Issuer Transaction Documents—Key Terms of the Servicing Arrangements*" for further information.
"**Delegate Special Servicer**"	Mount Street Mortgage Servicing Limited	3rd Floor New City Court 20 St. Thomas Street London SE1 9RS United Kingdom	The Master Servicer will delegate the Special Services to the Delegate Special Servicer pursuant to the Delegate Servicing Agreement. See the section entitled "*Servicing Arrangements for the Loans*" for further information.
"**Liquidity Facility Provider**"	Bank of America N.A., Milan Branch	Via Manzoni 5 Milan, Italy	The Liquidity Facility Provider will act as liquidity facility provider in respect of the Most Senior Class of Notes pursuant to a liquidity facility agreement to be entered into on or prior to the Closing Date between the Issuer, the Liquidity Facility Provider, the Representative of the Noteholders and the Calculation Agent (the "**Liquidity Facility Agreement**").

Party	Name	Address	Document under which Appointed/Further Information
			See the section entitled "*Servicing Arrangements for the Loans*" for further information.
"**Issuer Account Bank**"	Elavon Financial Services Limited	125 Old Broad Street London EC2N 1AR United Kingdom	The Issuer Account Bank will be appointed pursuant to a cash allocation, management and payments agreement to be entered into on or prior to the Closing Date between the Issuer, the Master Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Issuer Account Bank, the Delegate Primary Servicer and the Paying Agent (the "**Cash Allocation, Management and Payments Agreement**"). See the section entitled "*Description of the Issuer Transaction Documents—The Cash Allocation, Management and Payments Agreement"* for further information.
"**Representative of the Noteholders**"	Zenith Service S.p.A.	Registered Office: Via Guidubaldo del Monte 61 00197 Rome, Italy Administrative Office: Via Gustavo Fara, 26 20124 Milan, Italy	The Representative of the Noteholders will act as such pursuant to the Intercreditor Agreement. The Issuer and the Other Issuer Secured Creditors will enter into the Intercreditor Agreement on or prior to the Closing Date. See the section entitled "*Description of the Issuer Transaction Documents—The Intercreditor Agreement*" for further information.
"**Paying Agent**"	Elavon Financial Services Limited	125 Old Broad Street London EC2N 1AR United Kingdom	The Paying Agent will act as paying agent in respect of the Notes pursuant to the Cash Allocation, Management and Payments Agreement to be entered into on or prior to the Closing Date. See the section entitled "*Description of the Issuer Transaction Documents—The Cash Allocation, Management and Payments Agreement*" for further information.
"**Quotaholder**"	Stichting SFM Italy No. 1	De Boelelaan 7 - 1083 HJ Amsterdam The Netherlands	The Quotaholder will act as quotaholder of the Issuer pursuant to a quotaholder agreement to be entered into on or prior to the Closing Date between the Issuer, the Originator, the Representative of the Noteholders, and the Quotaholder (the "**Quotaholder Agreement**"). See the section entitled "*Description of the Issuer Transaction Documents—The Quotaholder Agreement*" for further information.
"**Corporate Servicer**"	Zenith Service S.p.A.	Registered Office: Via Guidubaldo del Monte 61 00197 Rome, Italy Administrative Office: Via Gustavo Fara, 26 20124 Milan, Italy	The Corporate Servicer will act as corporate services provider to the Issuer pursuant to a Corporate Services Agreement to be entered into on or prior to the Closing Date between, among others, the Corporate Servicer and the Issuer (the "**Corporate Services Agreement**").

Party	Name	Address	Document under which Appointed/Further Information
			See the section entitled "*Description of the Issuer Transaction Documents—The Corporate Services Agreement*" for further information.
"**Calculation Agent**"	Zenith Service S.p.A.	Registered Office: Via Guidubaldo del Monte 61 00197 Rome, Italy Administrative Office: Via Gustavo Fara, 26 20124 Milan, Italy	The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement. See the section entitled "*Description of the Issuer Transaction Documents—The Cash Allocation, Management and Payments Agreement*" for further information.

Other parties

Party	Name	Address
"**Listing Agent**"	Walkers Listing & Support Services Limited	The Anchorage 17/19 Sir John Rogerson's Quay Dublin 2, Ireland
"**Irish Stock Exchange**"	Irish Stock Exchange	28 Anglesea Street, Dublin 2, Ireland
"**Clearing System**"	Monte Titoli	Piazza degli Affari 6 20123 Milan, Italy
"**Rating Agencies**"	DBRS	1 Minister Court, 10th Floor Mincing Lane London EC3 7AA United Kingdom
	Fitch	30 North Colonnade Canary Wharf London E14 5GN United Kingdom

Each of the Originator, the Issuer, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Quotaholder, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Liquidity Facility Provider, the Paying Agent, the Issuer Account Bank, the Sole Arranger, the Sole Bookrunner and the Lead Manager and any other entity becoming a party to the Intercreditor Agreement are together referred to in this Offering Circular as, the "**Other Issuer Secured Creditors**".

Summary of the Loan Portfolio

Please refer to the section entitled "*The Loan Portfolio and the Properties*" for further information in respect of the characteristics of the Loans.

LOAN PORTFOLIO INFORMATION[1]			
	Globe Loan	**Calvino Loan**	**Fashion District Loan**
Original Loan Balance	€115,000,000	€101,500,000	€85,000,000
Cut-Off Date Loan Balance	€115,000,000	€101,500,000	€85,000,000
Projected Loan Balance at Loan Maturity Date	€111,118,750	€0	€81,600,000
Purpose	Asset acquisition and refinance	Asset acquisition	Asset acquisition
First Utilisation Date	27 November 2014 (the "**Globe Loan First Utilisation Date**")	31 July 2014 (the "**Calvino Loan First Utilisation Date**"	18 November 2014 (the "**Fashion District Loan First Utilisation Date**"
Loan Maturity Date	15 February 2020	7 August 2018 + 1 year extension option[2]	15 November 2019
Remaining Term (as at 31 December 2014)	5.13 years	4.60 years	4.87 years
Rate of Interest	Loan EURIBOR + Margin of 2.30 per cent.	Loan EURIBOR + Margin of 3.25 per cent.	Loan EURIBOR + Margin of 2.70 per cent.
Scheduled Amortisation	Year 1-3: 0 per cent. Year 4-5:[3] 1.5 per cent.	No scheduled amortisation[4]	Years 3-4: 1 per cent. Year 5: 2 per cent.
Prepayment Protection	Margin make whole until the Loan Payment Date in February 2017 Thereafter: 0 per cent.[5]	Margin make whole until the Loan Payment Date in August 2016[6]	Prepayment fee of 1.5 per cent. until (but excluding) the Loan Payment Date in November 2015[7]
Governing Law	Italian	Italian	English
Loan Transaction Security	(a) an Italian law first ranking account pledge in respect of bank accounts, an Italian law deed of assignment by way of security of receivables arising from lease agreements, Italian law first ranking mortgages in respect of the Globe Properties, an Italian law first ranking pledge over the quotas of each Globe Borrower, an Italian law deed of assignment by way of security of other receivables relating to the Globe Properties; (b) an English law assignment of rights under the hedge agreements, English law security agreements; and (c) a Luxembourg law first ranking account pledge in respect of bank accounts, Luxembourg law first ranking share pledges, Luxembourg law first ranking receivables pledges in respect of any shareholder and/or intercompany loan (the "**Globe Loan Transaction Security**").	(a) an Italian law first ranking account pledge in respect of bank accounts, an Italian law deed of assignment by way of security of receivables arising under lease agreements, Italian law first ranking mortgages in respect of the Calvino Properties, an Italian law deed of assignment by way of security of receivables in relation to rights arising from the sale and purchase agreements and the insurances relating to the Calvino Properties; and (b) an English law assignment of rights under the hedge agreements (the "**Calvino Loan Transaction Security**").	(a) an Italian law first ranking account pledge in respect of control accounts located in Italy, an Italian law deed of assignment by way of security of rights under an asset and quota purchase agreement, Italian law first ranking mortgages in respect of the Fashion District Properties, an Italian law first ranking pledge over the quotas of each Fashion District Target, Italian law deed of assignment by way of security of rental receivables and rights under a trademark license agreement by each Target, an Italian law first ranking account pledge in respect of certain other bank accounts, an Italian law deed of assignment by way of security of receivables arising under each master lease; (b) an English law assignment of rights under the hedge agreements and the insurance policies; and (c) a Luxembourg law first ranking account pledges in respect of control accounts located in Luxembourg, a Luxembourg law first ranking share pledge, a Luxembourg law first ranking receivables pledges in respect of any subordinated loans, and a Luxembourg law first ranking securities account pledge agreement

[1] Unless otherwise provided herein, all information in relation to each Loan in this table is stated as of the Cut-Off Date and all information provided in relation to the Properties (including the principal ratios) in this table is stated as of the date of each Valuation.
[2] The Calvino Borrower may opt to extend the Loan Maturity Date until 7 August 2019 if certain conditions are met. See "*The Loan Portfolio and the Properties—The Calvino Loan Summary—Repayment and Prepayments of Principal*" herein.
[3] For years 4-5 for the Globe Loan, amortisation will only apply if the Globe Loan to Value on a Globe Test Date during the fourth year from the Globe utilisation date is above 55 per cent.
[4] While there is no scheduled amortisation on the Calvino Loan, there is a requirement that the Loan Balance for the Calvino Loan is less than the Calvino Target Loan Amount at any relevant date. If the Loan Balance for the Calvino Loan is not less than such amount, then there will be a Calvino Cash Trap Event and all excess amounts collected with respect to the Calvino Loan will be held in the Calvino Deposit Account. If the Calvino Cash Trap Event continues for more than two consecutive Loan Interest Periods, then on the Loan Payment Date following the second Loan Interest Period, the Calvino Cash Trap Amount shall be applied in prepayment of the Calvino Loan. See "*The Loan Portfolio and the Properties—The Calvino Loan Summary—Calvino Loan Accounts*" for more details
[5] See "*The Loan Portfolio and the Properties—The Globe Loan Summary— Fees"* for more details.
[6] See "*The Loan Portfolio and the Properties—The Calvino Loan Summary —Fees*" for more details.
[7] See "*The Loan Portfolio and the Properties—The Fashion District Loan Summary —Fees*" for more details.

LOAN PORTFOLIO INFORMATION[1]			
	Globe Loan	**Calvino Loan**	**Fashion District Loan**
			in respect of the units in a closed-end real estate speculative investment fund (the "**Fashion District Loan Transaction Security**").
Sponsor	Orion Capital Managers	Cerberus Capital Management and Cordea Savills	Any fund and/or other entity managed, advised, owned and/or controlled by The Blackstone Group L.P. and/or or any of its affiliates (as defined in the Facility Agreement).
Borrower and SGR, as applicable	Dima Srl, Falcone Immobiliare Srl and Palladio Immobiliare Srl, each a private limited liability company (each, a "**Globe Borrower**")	C2 Investment Fund, an Italian close-end real estate speculative investment fund reserved to qualified investors ("**C2 Investment Fund**") (the "**Calvino Borrower**") Cordea Savills SGR S.p.A. (the "**Calvino SGR**")	Moma Fund, an Italian close-end real estate speculative investment fund reserved to qualified investors "**MOMA**" (the "**Fashion District Borrower**") IDeA Fimit Società di Gestione del Risparmio S.p.A. (the "**Fashion District SGR**")
Key Obligor Location	Globe Borrowers: Italy	Calvino Borrower: Italy	Fashion District Borrower: Italy
Hedge Counterparty	Commonwealth Bank of Australia	Merrill Lynch International	Merrill Lynch International
Cap Rate	2.5 per cent. per annum to 15 November 2018, thereafter 3 per cent. per annum	1.10 per cent. per annum (based on the amortisation profile of the Loan shown in the business plan) Additional Cap: difference between 95 per cent. of the Loan and the balance above is hedged with a strike rate of 5 per cent.	2 per cent. per annum for years 1- 3; 3 per cent. per annum for year 4; and 4 per cent. per annum for year 5
Hedged percentage	At least 95 per cent. of the Loan must be hedged	At least 95 per cent. of the Loan must be hedged Additional Cap: difference between 95% of the Loan and the balance above is hedged with a strike rate of 5 per cent.	At least 95 per cent. of the Loan must be hedged

Loan Portfolio Sale Agreement

Please refer to the section entitled *"Description of the Issuer Transaction Documents—The Loan Portfolio Sale Agreement"* for further information in respect of the terms of the sale arrangements in respect of the Loans.

Loan Portfolio Sale Agreement

Pursuant to the terms of a Loan Portfolio Sale Agreement dated 23 January 2015 (the "**LPSA Closing Date**") entered into between the Issuer and the Originator (the "**Loan Portfolio Sale Agreement**"), the Originator has sold to the Issuer its right, title, interest and benefit in and to a 95 per cent. *pari passu* interest in the receivables under each of the Loan Agreements (the "**Loan Portfolio**"). The remaining 5 per cent. interest in the receivables under each Loan Agreement will be retained by the Originator.

The Loan Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator, in accordance with the Securitisation Law and subject to the terms and conditions of the Loan Portfolio Sale Agreement.

The Loan Portfolio Sale Agreement is governed by Italian law.

Representations and Warranties

Pursuant to the terms of the Loan Portfolio Sale Agreement, the Originator will give certain representations, warranties and indemnities in favour of the Issuer in relation to, *inter alia*, the Loan Portfolio.

In particular, as of the LPSA Closing Date and as of the Closing Date, the Originator will give representations and warranties (subject, in certain cases, to certain provisos or disclosures).

Subject to the agreed exceptions, materiality qualifications and, where relevant, the general principles of law limiting the same, the representations and warranties to be given by the Originator under the Loan Portfolio Sale Agreement will, with respect to

each Loan, include (together, the "**Loan Warranties**"):

(a) The Loan has been advanced in full to the Borrowers;

(b) The Originator has, since the date of origination of the Loan, kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the Loan made or received by it and which are complete and accurate in all material respects;

(c) The Originator is entitled, under the terms of the Loan Agreement and subject to the provisions for transfer as set out therein, to enter into the Loan Portfolio Sale Agreement, to execute and deliver the transfer certificate and to transfer the Loan Portfolio (and its interest in the Loan Transaction Security relating to the same) to the Issuer absolutely;

(d) Prior to the advancing of the Loan:

(i) the Originator commissioned a due diligence procedure which initially or after further investigation disclosed nothing which caused it to decline to proceed with the advance on its agreed terms; and

(ii) the Originator (having conducted the due diligence referred to in the section entitled "*The Origination Process*") was not aware of any matter or thing affecting the title of the Borrowers to any part of the Loan Transaction Security which caused it to decline to proceed with the advance or acquisition on its agreed terms;

(e) To the best of the Originator's knowledge (having made no investigation in respect thereof) no report on title given by a lawyer in connection with its origination of the Loan was negligently or fraudulently prepared;

(f) The Properties securing the Loan were valued by an independent valuer prior to the advance of the Loan;

(g) To the best of the Originator's knowledge (having made no investigation in respect thereof), the Initial Valuation was not fraudulently undertaken by the relevant valuer and the Initial Valuation did not fail disclose any fact or circumstance which, if disclosed, would have caused the Originator to decline to proceed with its origination of the Loan;

(h) The Originator has performed in all material aspects all of its obligations under or in connection with the Loan and so far as the Originator is aware none of the Loan Obligors has taken or threatened to take any action against the Originator, the Borrower Facility Agent or the Borrower Security Agent for any material failure on the part of the Originator, the Borrower Facility Agent or the Borrower Security Agent under or in respect of the Loan to perform any such obligations;

(i) The Originator is not aware of any litigation or claim calling into question in any material way the Originator's title to the Loan or the related Borrower Security Agent's title to any material part of the Loan Transaction Security;

(j) Prior to making the initial advance under the Loan, (i) no express recommendation was received by the Originator from the valuer in connection with its work on the Initial Valuation to carry out any further or additional environmental audit, survey or report of the Properties which was not pursued, unless otherwise determined by the Originator to not be necessary to perform prior to such origination or acquisition, and (ii) if any such environmental audit, survey or report was performed prior to such origination or acquisition, the results of any such environmental audit, survey or report which was procured by the Originator were made available to the valuer in respect of the Initial Valuation; and

(k) The sale of the Loan will occur in the ordinary course of the business of the Originator.

Receivables

"**Receivables**" means a 95 per cent. *pari passu* interest in each and any rights and claim of the Originator now existing or arising at any time in the future under or in connection with the Loan Agreements, including, but not limited to:

(i) all amounts of principal outstanding under the Loan Agreements as of the Closing Date;

(ii) any amounts of interest (including legal, contractual, compensatory (*compensativo*) and default interest) accrued and not paid on the amounts referred under (i) above up to the Closing Date;

(iii) any amounts of interest (including legal, contractual, compensatory (*compensativo*) and default interest) which will accrue on the amounts referred under (i) above starting from the Closing Date;

(iv) any amounts due and payable under the Loan Agreements up to the Closing Date or which will become due and payable from such date in relation to reimbursement of expenses and in relation to any indemnity for losses, costs, expenses, taxes and damages, as well as any other amounts due to the Originator for any reason with respect to or in connection with the Loan Agreements and the other Loan Finance Documents;

(v) any other claim, due and payable up to the Closing Date or which will become due and payable from such date, relating to or connected with the Loan Agreements, including any prepayment fees, break costs, extension, cancellation fees under the Loan Agreements;

(vi) all rights and remedies to which the Originator is entitled by operation of law or contract in relation to the Loan Finance Documents to the greatest extent that are assignable in accordance with the Securitisation Law; and

(vii) all Ancillary Rights,

provided that the Originator will retain the remaining five per cent. of the receivables arising from each Loan Agreement in order to meet the Risk Retention Requirements.

"**Loan Finance Documents**" means, with respect to any Loan those documents referenced as finance documents in the related Loan Agreement which will consist of, generally, the following:

(a) the Loan Agreement;

(b) each Loan Security Document;

(c) each Duty of Care Agreement;

(d) fee letters; and

(e) certain other documentation, including any documentation designated as such by the related Borrower Facility Agent and related Borrower.

"**Ancillary Rights**" means, all rights and claims of the Originator now existing or arising at any time in the future, under or in connection with the Receivables, including, without limitation:

(a) all the Originator's rights, title and interest in and to any security interest granted pursuant to the Loan Security Documents;

(b) all proceeds arising out of the enforcement of the Loan Security Documents; and

(c) all privileges and priority rights (*cause di prelazione*) supporting the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred at or after the relevant Closing Date in relation to the recovery of amounts due in respect of the Receivables and, in particular, in relation to judicial proceedings, together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, to the greater extent permitted by any applicable law and in particular by the Securitisation Law, and without limitation, the remedy of a termination (*risoluzione*) and the right to accelerate any obligation (*dichiarare la decadenza dal beneficio del termine*).

Consideration

As consideration for the transfer of the Receivables, the Issuer will pay to the Originator:

(i) €286,425,000 (the "**Initial Consideration**"); and

(ii) the aggregate amount of interest that accrued on each of the Loans during the period from and including, in the case of the Calvino Loan, the Loan Payment Date falling in 31 October 2014 and, in the case of the Fashion District Loan and the Globe Loan, their respective First Utilisation Date, in each case to, but excluding, the Closing Date (the "**Interest Consideration**").

The Initial Consideration will be paid by the Issuer to the Originator on the Closing Date.

The Interest Consideration will be paid by the Issuer to the Originator on the Loan Payment Date on which they are paid, to the extent of the amounts actually received by the Issuer from the Borrowers under the Loan Agreements.

In addition, the Issuer shall pay to the Originator a deferred purchase price in the form of a purchase price adjustment amount, to be calculated in accordance with the Conditions, and which shall be equal to any amount available to the Issuer after all payments of items (i) to (xxi) of the Pre-Note Enforcement Notice Priority of Payments or items (i) to (xvii) of the Post-Note Enforcement Notice Priority of Payments (as applicable) have been made.

Remedy for Breach of Warranty

In the event of a Material Breach of Loan Warranty, the Originator will be required, within 60 days (or such longer period not exceeding 90 days as the Issuer or the Representative of the Noteholders may agree) of receipt of written notice of the relevant Material Breach of Loan Warranty from the Issuer or the Representative of the Noteholders, to remedy the matter giving rise to such breach of representation or warranty, if such matter is capable of remedy.

If a Material Breach of Loan Warranty is not capable of remedy or is not remedied within the specified period, the Originator will be required to:

(a) advance to the Issuer, upon its first demand a non interest bearing limited recourse loan (the "**Limited Recourse Loan**") on the Note Payment Date immediately following such demand (**provided that** if such demand is served by the Issuer during a period within 30 days prior to a Note Payment Date such Limited Recourse Loan may, at the discretion of the Originator, be advanced on the next following Note Payment Date) in an amount equal to the sum of:

(i) the outstanding principal of the Relevant Loan, as of the date on which the Limited Recourse Loan is granted, plus

(ii) an amount equal to interest accrued and not paid in relation to the Relevant Loan as of the date on which the Limited Recourse Loan is granted, plus

(iii) an amount equal to all other losses, claims, demands, taxes and all other expenses or other liabilities incurred by the Issuer as a result of such Material Breach of Loan Warranty,

the aggregate of the amounts under (i), (ii) and (iii) above being the "**Relevant Loan Value**", repayable by the Issuer to the Originator only if and to the extent that any amounts under the Relevant Loan are collected or recovered by (or on behalf of) the Issuer; or

(b) may, as an alternative, repurchase the Relevant Loan by the Calculation Date immediately following such demand (**provided that** if such demand is served by the Issuer during a period within 5 days prior to a Calculation Date such repurchase may, at the discretion of the Originator, only occur on the next following Calculation Date) for an aggregate amount equal to the Relevant Loan Value to be paid on such repurchase date.

Neither the Issuer nor the Representative of the Noteholders will have any claim in respect of any breach of any Loan Warranty that is not a Material Breach of Loan Warranty.

A "**Material Breach of Loan Warranty**" means a breach of a Loan Warranty in any material respect where the facts and circumstances giving rise to that breach have a material adverse effect on the ability of the Issuer to make timely payment in full of its obligations under the Notes.

Overview of the Terms and Conditions of the Notes

Please refer the section entitled *"Terms and Conditions of the Notes"* for further information in respect of the terms and conditions of the Notes.

Full Capital Structure of the Notes

	Class A	Class X	Class B	Class C	Class D
Currency	€	€	€	€	€
Initial Principal Amount	206,000,000	N/A	23,000,000	34,250,000	23,175,000
Liquidity Support	Liquidity Facility	N/A	Liquidity Facility if such Class of Notes is the Most Senior Class of Notes	Liquidity Facility if such Class of Notes is the Most Senior Class of Notes	Liquidity Facility if such Class of Notes is the Most Senior Class of Notes
Issue Price	100 per cent.	N/A	100 per cent.	100 per cent.	100 per cent.
Note Interest Reference Rate[(1)]	Note EURIBOR	N/A	Note EURIBOR	Note EURIBOR	Note EURIBOR
Relevant Margin	1.5 per cent.	Variable	1.9 per cent.	2.5 per cent.	4.1 per cent.[(2)]
Note Premium Amount (following Loan Final Maturity Date)	Excess of Note EURIBOR over 5 per cent., if any	N/A	Excess of Note EURIBOR over 5 per cent., if any	Excess of Note EURIBOR over 5 per cent., if any	Excess of Note EURIBOR over 5 per cent., if any
Interest Accrual Method	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360
Note Interest Determination Date	2 Business Days prior to the Note Payment Date	2 Business Days prior to the Note Payment Date	2 Business Days prior to the Note Payment Date	2 Business Days prior to the Note Payment Date	2 Business Days prior to the Note Payment Date
Note Payment Dates	18 February, 18 May, 18 August and 18 November, in each year[(3)]	18 February, 18 May, 18 August and 18 November, in each year[(3)]	18 February, 18 May, 18 August and 18 November, in each year[(3)]	18 February, 18 May, 18 August and 18 November, in each year[(3)]	18 February, 18 May, 18 August and 18 November, in each year[(3)]
Business Day Convention	Modified following	Modified following	Modified following	Modified following	Modified following
First Note Payment Date	18 May 2015	18 May 2015	18 May 2015	18 May 2015	18 May 2015
First Note Interest Period	Closing Date to First Note Payment Date	Closing Date to First Note Payment Date	Closing Date to First Note Payment Date	Closing Date to First Note Payment Date	Closing Date to First Note Payment Date
Expected Maturity Date	February 2020	N/A	February 2020	February 2020	February 2020
Final Maturity Date	February 2027	February 2027	February 2027	February 2027	February 2027

	Class A	Class X	Class B	Class C	Class D
Form of the Notes	Dematerialised form	Dematerialised form	Dematerialised form	Dematerialised form	Dematerialised form
Application for Listing	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
ISIN	IT0005085615	IT0005085706	IT0005085664	IT0005085672	IT0005085680
Common Code	119066689	N/A	119066735	119066751	119066786
Clearance/Settlement	Monte Titoli	Monte Titoli	Monte Titoli	Monte Titoli	Monte Titoli
Minimum Denomination	€100,000, or integral multiples of €1,000 in excess thereof	N/A	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof	€100,000, or integral multiples of €1,000 in excess thereof
Commission	nil	nil	nil	nil	nil

(1) The Note Interest Rate is subject to a floor of zero per cent.

(2) Subject to the Class D Interest Available Funds Cap (see Condition 6(j) (*Class D Notes Interest Available Funds Cap*)).

(3) If such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day). The Sole Arranger has the right to direct the Issuer to amend the Note Payment Dates to a day falling no later than 7 calendar days after that of the original Note Payment Dates, i.e., up to the 25 February, 25 May, 25 August and 25 November in each year (or if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day). Any such change shall affect all Note Payment Dates falling on or after it becomes effective. No consent by the Noteholders or by the Representative of the Noteholders shall be required in order to make the above change, **provided that** the Issuer will give a 30 day advance notice, pursuant to Condition 18 (*Notices*), to the Noteholders and, pursuant to the provisions of the Issuer Transaction Documents, to the Other Issuer Secured Creditors of such change and of the date from which it will become effective.

All of the Notes will bear interest on their Principal Amount Outstanding (i) at Note EURIBOR (3-month) plus the Relevant Margin specified above (except in respect of the first Note Interest Period, where an interpolated interest rate based on interest rates for three and six month deposits in euro which appears on the display page designated EURIBOR 01 on Reuters will be substituted) and (ii) Note EURIBOR will be capped at 5 per cent. following the Expected Maturity Date. The Class A Notes will bear an interest additional to the above, which will constitute the Class X Detachable Coupon; the calculation of such interest component is set out under Condition 6(e)(v) (*Rates of Interest*).

Principal Features of the Notes

Issue Price

The Notes will be issued at the issue price of 100 per cent. of their principal amount upon issue (the "**Issue Price**").

Interest on the Notes

Please refer to section entitled "*—Full Capital Structure of the Notes*" as set out above.

Interest on the Notes will be payable by reference to successive Note Interest Periods. Prior to the delivery of a Note Enforcement Notice, interest on the Notes will accrue on a daily basis and will be payable in arrear in euro on 18 February, 18 May, 18 August and 18 November in each year (or, if any such day is not a Business Day, on the immediately following Business Day, unless such Business Day falls in the next following calendar month, in which event the immediately preceding Business Day) in accordance with the applicable Priority of Payments.

The first payment of interest in respect of the Notes will be the Note Payment Date falling in May 2015 (the "**First Note Payment Date**").

Each Note Interest Period will be the period commencing on (and including) each Note Payment Date, to (and excluding) the next following Note Payment Date **provided that** (i) the first Note Interest Period will commence on (and include) the Closing Date and end on (and exclude) the First Note Payment Date, and (ii) the final Note Interest Period will end on the earlier of the Note Payment Date falling in February 2027 (the "**Final Maturity Date**") and the Note Payment Date falling on or immediately following the date on which the aggregate Principal Amount Outstanding of the Loans is reduced to zero (each, a Note Interest Period), in each case subject to Condition 7(b) (*Optional Redemption*) and 7(c) (*Optional Redemption for Taxation Reasons*), and the effects of a Note Enforcement Notice.

The rate of interest payable from time to time in respect of the Principal Amount Outstanding of each Class of Notes for each Note Interest Period will be the rate offered in the Euro-Zone inter-bank market for 3-month deposits in Euro (subject to, in respect of the First Note Interest Period an interpolated interest rate based on three and six month deposits in Euro will be substituted for 3-month EURIBOR) ("**Note EURIBOR**") (as more specifically determined in accordance with Condition 6 (*Interest*)), plus the relevant

margin specified in Condition 6 (*Interest*) (the "**Relevant Margin**"), as follows:

Class	Relevant Margin
Class A Notes	1.5 per cent. per annum
Class B Notes	1.9 per cent. per annum
Class C Notes	2.5 per cent. per annum
Class D Notes	4.1 per cent. per annum

in any case, the Note Interest Rate is subject to a floor of zero per cent.

The Class A Notes will bear interest at two interest coupons, the first coupon will be determined as above, the second coupon will be determined as follows: equal to the Class X Interest Amount as determined on the Calculation Date immediately preceding the Note Payment Date on which it is due to be paid.

"**Class X Interest Amount**" means the amount determined by multiplying the Principal Amount Outstanding of the Class A Notes by the Class X Percentage.

"**Class X Percentage**" means an amount, expressed as a percentage, equal to the Class X Available Amount divided by the Principal Amount Outstanding of the Class A Notes.

"**Class X Available Amount**" means, in relation to a Note Payment Date, an amount, as calculated by the Calculation Agent on the Calculation Date immediately preceding such Note Payment Date, equal to the excess of:

(a) the Interest Available Funds received during the immediately preceding Loan Interest Period and credited to the Issuer Collection Account, excluding any amounts that are Liquidity Drawings;

over

(b) the sum of:

(i) any Issuer Priority Payments made after the preceding Note Payment Date and made or to be made up to such Note Payment Date; and

(ii) all payments to be made on such Note Payment Date under items (i) through (xviii) the Pre-Note Enforcement Notice Priority of Payment or under items (i) through (xiv) the Post-Note Enforcement Notice Priority of Payments, other than: (x) amounts identified thereunder as the Class X Interest Amount, and (y) amounts identified thereunder as principal payments on any Class of Notes.

Loan Prepayment Fees

On each Note Payment Date, each Class of Relevant Prepaid Notes (other than the Class X Detachable Coupon) will be allocated a portion of the prepayment fees received by the Issuer with respect to each Loan (the "**Loan Prepayment Fees**") during the Loan Interest Period ending immediately prior to that Note Payment Date equal to the product of (a) such Loan Prepayment Fees and (b) such Class of Notes's Loan Prepayment Fee Factor (as to each Class of Notes, the "**Note Prepayment Fee**"). All amounts of Loan Prepayment Fees in excess of those allocated to the Notes, as described above, will be paid to the Class X Detachable Coupon.

The "**Loan Prepayment Fee Factor**" with respect to any Loan and any Class of Relevant Prepaid Notes on any Note Payment Date shall be equal to the product of (a) the Margin Factor for such Class of Notes and (b) the Note Portion Factor for such Loan.

The "**Margin Factor**" with respect to any Class of Relevant Prepaid Notes on any Note Payment Date shall be the product (expressed as a percentage) of: (a) the Note Margin Interest due on such Class of Relevant Prepaid Notes on such Note Payment Date, divided by (b) the aggregate Note Margin Interest due on all of the Relevant Prepaid Notes on such Note Payment Date (excluding, for the avoidance of doubt, any amounts paid to the Class X Detachable Coupon).

The "**Note Margin Interest**" means, with respect to any Class of Relevant Prepaid Notes and any Note Payment Date, the aggregate amount of interest payable on such Class of Relevant Prepaid Notes on such Note Payment Date which has accrued during the Note Interest Period ending on such Note Payment Date at the rate equal to the Relevant Margin applicable to such Class of Notes.

The "**Note Portion Factor**" means, with respect to any Loan and any Note Payment Date: (a) 1.00 minus (b) a fraction equal to: (i) the Loan Excess for such Loan during the immediately preceding Loan Interest Period, divided by (ii) the Loan Margin for such Loan.

The "**Loan Excess**" means, with respect to any Loan and any Note Payment Date, the number of basis points by which: (a) the Loan Margin, exceeds (b) the sum of: (i) the WAFR, and (ii) the Note WAC for the related Note Payment Date.

The "**WAFR**" means, with respect to any Note Payment Date, the weighted average Administrative Fee Rate for a single Note Interest Period based upon the Administrative Fee Rate for the current Note Interest Period and the prior three Note Interest Periods, weighted based on the aggregate outstanding principal balances of the Notes during each such Note Interest Period.

The "**Administrative Fee Rate**" means, for any Note Interest Period, an amount expressed as a percentage equal to: (a) the Administrative Fees paid during such Note Interest Period, divided by (b) the aggregate outstanding principal balances of the Notes during each such Note Interest Period.

The "**Note WAC**" means, with respect to any Note Payment Date, the weighted average note margin for the Notes (excluding, for the avoidance of doubt, any amounts paid to the Class X Detachable Coupon), weighted based on the outstanding principal balance of each Class of Notes as of the related Note Interest Period.

The "**Relevant Prepaid Notes**" means, with respect to any Note Payment Date, each Class of Notes that will be allocated any PF Principal Available Funds on such Note Payment Date.

Calvino Extension Fee

On the Note Payment Date immediately following the payment of the Calvino Extension Fee (if any), each Class of Notes (other than the Class X Detachable Coupon) will be allocated a portion of the Calvino Extension Fee received by the Issuer (as to each Class of Notes, the "**Note Extension Fee**") determined by applying the following formula, with reference to the Calculation Date immediately preceding such Note Payment Date:

Class allocation of Calvino Extension Fee = Calvino Extension Fee x (Class PAO as at such Calculation Date)/(Total PAO as at such Calculation Date).

Note Premium Amount

For each Note Interest Period commencing on or after the Expected Maturity Date, the payment of interest accrued on the Notes that represents a Note Premium Amount (if any) will be subordinated to, *inter alia*, other payments of interest and payments of principal on the Notes.

"**Note Premium Amount**" means, in respect of any Note Interest Period commencing on or after the Expected Maturity Date in which Note EURIBOR exceeds 5 per cent., any amount of interest accrued on the Notes calculated in accordance with the following formula (**provided that** the Note Premium Amount will not be less than zero):

A x (B-C) x D

Where:

A = Principal Amount Outstanding on the Notes

B = Note EURIBOR

C = 5 per cent. per annum

D = Day Count Fraction

Interest in respect of any Note Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360-day year (the "**Day Count Fraction**").

Class D Interest Available Funds Cap

If on any Note Payment Date prior to the service of a Note Enforcement Notice, the aggregate amount of interest that would otherwise be due and payable on any of the Class D Notes on that date in accordance with Condition 6(e)(iv) (*Rates of Interest*) (but for Condition 6(j) (*Class D Notes Interest Available Funds Cap*) (the "**Class D Interest Amount**") is in excess of the Class D Adjusted Interest Payment Amount, and the difference between the Class D Interest Amount and the Class D Adjusted Interest Payment Amount is attributable to a reduction in the interest-bearing balance of any of the Loans as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class D Notes will be subject to a cap (the "**Class D Interest Available Funds Cap**") at the Class D Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest that would otherwise be due and payable in respect of the Class D Notes on such Note Payment Date or such other date on which funds are to be distributed.

For these purposes, "**Class D Adjusted Interest Payment Amount**" on any Note Payment Date means an amount equal to the amount by which:

(a) the aggregate amount of Interest Available Funds available for distribution under the Pre-Enforcement Priority of Payments,

exceeds

(b) the sum of all amounts payable under the Pre-Enforcement Priority of Payments on that date, excluding any principal payments under the Notes, in priority to payments of interest on the Class D Notes,

and will in any event not be less than zero.

Interest Deferral

Subject to the Class D Interest Available Funds Cap and the relevant provisions of Condition 6(j) (*Class D Notes Interest Available Funds Cap*), to the extent that funds available to the Issuer to pay interest on any Class of Notes (other than any Note Interest Payment Amount on the Most Senior Class of Notes) including any payment under the Class X Detachable Coupon, on a Note Payment Date are insufficient to pay the full amount of interest due on such Notes but for this paragraph, then the amount of the interest shortfall (the "**Deferred Interest**") will not fall due on that Note Payment Date. Instead, the Issuer will, in respect of each affected Class of Notes, create a provision in its accounts for the related Deferred Interest on the relevant Note Payment Date. Such Deferred Interest will not accrue interest and will be payable on the earlier of:

(a) any succeeding Note Payment Date, when any such Deferred Interest will be paid but only if and to the extent that, on such Note Payment Date, there are sufficient funds available to the Issuer for those purposes, after deducting amounts ranking in priority to the relevant Class of Notes in accordance with the Pre-Note Enforcement Notice Priority of Payments; and

(b) the date on which the relevant Class of Notes are due to be redeemed in full.

The "**Most Senior Class of Notes**" will initially be the Class A Notes and, upon repayment of all amounts outstanding on the Class A Notes, the next most subordinate Class of Notes which has any Principal Amount Outstanding. The Class X Detachable Coupons will never be the Most Senior Class of Notes.

Form and Denomination

The denomination of the Notes (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) will be €100,000, or integral multiples of €1,000 in excess thereof.

The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli with effect from the Closing Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entries in accordance with the provision of Article 83-*bis et seq.* of the Financial Act and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

Payment of Interest on the Notes

With respect to the obligations of the Issuer to pay interest (other than any Note Premium Amount) on the Notes prior to (i) the delivery of a Note Enforcement Notice; (ii) the occurrence of an Insolvency Event in relation to the Issuer, or (iii) the occurrence of a Class X Trigger Event:

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

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

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

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

Subordinated Class X Amounts

Following the occurrence of a Class X Trigger Event, payment of Subordinated Class X Amounts will be subordinated to the payments of interest and repayments of principal on the Class A Notes (excluding payments under the Class X Detachable Coupon), the Class B Notes, the Class C Notes and the Class D Notes. Subordinated Class X Amounts will only be paid if there are sufficient Issuer Available Funds on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid or provided for.

"**Subordinated Class X Amounts**" means all Class X Interest Amounts (as defined in Condition 6(e)(v) (*Rates of Interest*)) accruing after the occurrence of a Class X Trigger Event.

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

(a) the occurrence of a Note Payment Date after the Expected Maturity Date;

(b) the occurrence of a Special Servicer Transfer Event on any Loan; or

(c) the occurrence of an Insolvency Event in relation to the Issuer; or

(d) the delivery of a Note Enforcement Notice.

Repayment of Principal on the Notes and upon the Occurrence of an Insolvency Event in relation to the Issuer

Prior to the delivery of a Note Enforcement Notice or the occurrence of an Insolvency Event in relation to the Issuer, Principal Available Funds will be allocated amongst the Notes as follows:

Pro Rata Principal Payment Amount as determined on any Calculation Date prior to the occurrence of a Sequential Payment Trigger will, prior to the allocation of the Sequential Principal Payment Amounts, be allocated *pro rata* to the Notes (other than the Class X Detachable Coupon) in the manner set forth under Condition 7(e) (*Calculation of Principal Payment Amount*).

The "**Pro Rata Principal Payment Amount**" as determined on any Calculation Date means the aggregate of, with respect to all of the Loans, the PF Pro Rata Principal Payment Amounts and the Non-PF Pro Rata Principal Payment Amounts.

The "**PF Pro Rata Principal Payment Amount**" as determined on any Calculation Date means the aggregate of, with respect to all of the Loans, the following:

(i) with respect to each Loan for which a Sequential Payment Trigger will exist on the next following Note Payment Date, zero; and

(ii) with respect to each Loan for which a Sequential Payment Trigger will not exist on the next following Note Payment Date, all PF Principal Available Funds received with respect to such Loan other than Cash Trap Principal.

The "**Non-PF Pro Rata Principal Payment Amount**" as determined on any Calculation Date means the aggregate of, with respect to all of the Loans, the following:

(i) with respect to each Loan for which a Sequential Payment Trigger will exist on the next following Note Payment Date, zero; and

(ii) with respect to each Loan for which a Sequential Payment Trigger will not exist on the next following Note Payment Date, all Non-PF Principal Available Funds received with respect to such Loan other than Cash Trap Principal.

The "**PF Principal Available Funds**" means any Principal Available Funds that are received on a Loan that are accompanied with the payment of a Loan Prepayment Fee.

The "**Non-PF Principal Available Funds**" means all Principal Available Funds other than PF Principal Available Funds.

Following the allocation of any Pro Rata Principal Payment Amounts to the Notes, the Sequential Principal Payment Amount will be allocated to the Most Senior Class of Notes and, thereafter, sequentially to the remaining Notes that remain outstanding in the manner set forth under Condition 7(e) *Calculation of Principal Payment Amount*.

Payments on the Notes following the delivery of a Note Enforcement Notice and before the Occurrence of an Insolvency Event in relation to the Issuer

Upon the delivery of a Note Enforcement Notice or the occurrence of an Insolvency Event in relation to the Issuer, principal will be allocated to the Notes sequentially, starting with the Most Senior Class of Notes outstanding. With respect to the obligations of the Issuer to pay interest and principal on the Notes relating to the receipt by the Issuer of Issuer Available Funds following the delivery of a Note Enforcement Notice:

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

(b) payments of interest and principal on the Class B Notes will rank *pro rata*, but subordinate to the payments of interest and principal on the Class A Notes (excluding payments under the Class X Detachable Coupon) and in priority to the payment of interest and principal on the Class C Notes and the Class D Notes and the

Subordinated Class X Amount;

(c) payments of interest and principal on the Class C Notes will rank *pro rata*, but subordinate to the payments of interest and principal on the Class A Notes (excluding payments under the Class X Detachable Coupon) and the Class B Notes, and in priority to the payment of interest and principal on the Class D Notes and the Subordinated Class X Amount;

(d) payments of interest and principal on the Class D Notes will rank *pro rata*, but subordinate to the payments of interest and principal on the Class A Notes (excluding payments under the Class X Detachable Coupon), the Class B Notes and the Class C Notes, and in priority to the payment of interest and principal on the Subordinated Class X Amount; and

(e) payment of the Subordinated Class X Amount will rank subordinate to the payment of interest and principal on the Class A Notes (excluding payments under the Class X Detachable Coupon), the Class B Notes, the Class C Notes and the Class D Notes.

Withholding on the Notes

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

Redemption

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

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

Mandatory Redemption

The Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Note Payment Date in accordance with the Conditions, in each case following scheduled repayment and/or prepayment of any Loan to the extent of the Principal Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments. See "*—Repayment of Principal on the Notes and upon the Occurrence of an Insolvency Event in relation to the Issuer*" above for a description of the allocation of Principal Available Funds as among the Notes.

Optional Redemption

Provided that no Note Enforcement Notice has been served on the Issuer, the Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon including, for the avoidance of doubt, under the Class X Detachable Coupon) which amounts will be paid in accordance with the priorities of the Post-Note Enforcement Notice Priority of Payments, on any Note Payment Date from the Note Payment Date on which the Principal Amount Outstanding of the Notes is 10 per cent. or less than the aggregate Principal Amount Outstanding of the Notes on the Closing Date, subject to the Issuer:

(a) giving not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders, in accordance with Condition 18 (*Notices*), of its intention to redeem all (in whole but not in part) of the Notes; and

(b) delivering, in accordance with Condition 18 (*Notices*), prior to the notice referred to in paragraph (a) above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer confirming that the Issuer will on the relevant Note Payment Date have the necessary funds, free and clear of any security interest of any third party, required to discharge all of its outstanding liabilities in respect of the Notes and to redeem the Notes in accordance with the Conditions and to pay any other amount

required to be paid in priority to or *pari passu* with the Notes - which amounts will be paid in accordance with the priorities of the Post-Note Enforcement Notice Priority of Payments.

Optional Redemption for Taxation Reasons

Upon the imposition, after the date of a change in the Tax law of Italy which (i) requires a Tax Deduction (other than a Decree 239 Deduction) from any payments to be made to the Noteholders, or (ii) would cause (a) the total amount payable in respect of the Loan Portfolio to cease to be receivable by the Issuer or (b) the debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Loan, and subject to the Issuer:

(a) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 18 (*Notices*) of its intention to redeem all (but not some only) of the Notes; and

(b) delivering, prior to the notice referred to in paragraph (a) above being given to the Representative of the Noteholders:

(i) a certificate duly signed by a director of the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of any Loan ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interest as a whole;

(ii) a tax opinion stating that the obligation to make such deduction or withholding or the suffering by the Issuer of such deduction or withholding cannot be avoided or, as the case may be, the events will apply on the next Note Payment Date and cannot be avoided by the Issuer; and

(iii) a certificate signed by a director of the Issuer confirming that the Issuer will, on the relevant Note Payment Date, have the necessary funds, free and clear of any security interest of any third party, required to discharge all of its outstanding liabilities in respect of the Notes and redeem the Notes in accordance with the Conditions - and to pay any amount required to be paid in priority to or *pari passu* with the Notes - which amounts will be paid in accordance with the priorities of the Post-Note Enforcement Notice Priority of Payments.

Expected Maturity Date and Final Maturity Date

Unless previously redeemed in full, the Notes are expected to mature on the Note Payment Date in February 2020 (the "**Expected Maturity Date**"), and the Notes of each Class will in any event be due to be repaid in full at their Principal Amount Outstanding not later than on the Final Maturity Date. The Notes, to the extent not redeemed in full on their Final Maturity Date, will be cancelled.

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of Article 3 of the Securitisation Law, pursuant to which the Receivables from the Loan Portfolio are segregated by operation of law from the Issuer's other assets. Both before and after a winding up of the Issuer, amounts deriving from the Loan Portfolio will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Secured Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation, subject to the applicable Priority of Payments and any Issuer Priority Payments. See for further details section entitled "*Selected Aspects of Italian Law—Ring-fencing of the Assets*".

The Loan Portfolio may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Note Enforcement Notice or upon failure by the Issuer to exercise its rights under the Issuer Transaction Documents within ten days from notification of such failure (but the right to replace the Master Servicer might be exercised only where the Issuer has failed to replace the Master Servicer for a period of at least 30 days) to exercise all the Issuer's rights, powers and discretion under the Issuer Transaction Documents taking such

action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Secured Creditors in respect of the Loan Portfolio and the Issuer's rights under the Issuer Transaction Documents. Italian law governs the delegation of such power. In addition, security over certain rights of the Issuer arising out of certain Issuer Transaction Documents will be granted by the Issuer in favour of the Representative of the Noteholders pursuant to the Pledge Agreement (or, in the case of the Liquidity Facility Agreement and the Issuer Accounts, pursuant to the English Security Agreement), for the benefit of itself, the Noteholders and the Other Issuer Secured Creditors.

Note Events of Default

If any of the following (each, a "**Note Event of Default**") events occurs:

(a) **Non-payment:**

Non-payment of Note Interest Payment Amount on the Most Senior Class of Notes and of Interest or Principal on any Class of Notes:

The Issuer fails to (i) pay (a) any Note Interest Payment Amount in respect of the Most Senior Class of Notes or (b) any interest due and payable (i.e., there are sufficient Issuer Available Funds to make the payment) on any other Class of Notes (including any sum due and payable under the Class X Detachable Coupon) within five days of the due date for payment thereof, or (ii) repay any principal when due and payable (i.e., there are sufficient Issuer Available Funds to make the payment) on any Class of Notes within five days of the due date for payment thereof; or

(b) **Breach of Other Obligations:**

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Issuer Transaction Documents or Issuer Security Documents (other than any obligation to pay principal or interest in respect of the Notes as indicated under paragraph (a) above) and such default (i) is in the opinion of the Representative of the Noteholders, incapable of remedy or (ii) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy remains unremedied for 14 days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied;

(c) **Insolvency of the Issuer:**

an Insolvency Event occurs with respect to the Issuer; or

(d) **Unlawfulness:**

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

then the Representative of the Noteholders may, or will, if so directed by an Extraordinary Resolution of Noteholders of all Classes of Notes then outstanding other than (i) the Class X Detachable Coupon and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred (in each case subject to being indemnified and/or secured to its satisfaction, and in the case of the occurrence of any of the events mentioned in item (b) (*Breach of Other Obligations*) above, to the extent no Extraordinary Resolution has been passed on the matter, subject to having certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Noteholders), serve a Note Enforcement Notice on the Issuer declaring the Notes to be due and repayable, whereupon all payments of principal, interest and other amounts due in respect of the Notes will become immediately due and payable at their Principal Amount Outstanding, together with any accrued interest and will be payable according to the order of priority set out in the Conditions and described in the section entitled "*Transaction Overview—Credit Structure and Cashflows—Post-Note Enforcement Notice Priority of Payments*" below and

on such dates as the Representative of the Noteholders may determine.

Non-petition

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

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

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

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

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

Limited Recourse

All obligations of the Issuer to the Noteholders are limited in recourse as set out below:

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

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

(c) if the Master Servicer (or the Delegate Primary Servicer or the Delegate Special Servicer on behalf of the Master Servicer) has certified to the Representative of the Noteholders, that there is no reasonable likelihood of there being any further realisations in respect of any of the Loans or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Security or otherwise) which would be available to pay unpaid amounts outstanding under the Issuer Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 18 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Loan Portfolio or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Loan Transaction Security or otherwise) which would be available to pay amounts outstanding under the Issuer Transaction Documents or the Notes, the Noteholders will have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts will be cancelled and deemed to be discharged in full.

The Organisation of the Noteholders	The Organisation of the Noteholders will be established upon and by virtue of the issuance of the Notes and will remain in force and in effect until repayment in full or cancellation of the Notes.
Representative of the Noteholders	Pursuant to the Rules of the Organisation of the Noteholders, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, which is appointed in the Intercreditor Agreement. Each Noteholder is deemed to accept such appointment.
Enforcement	At any time after a Note Enforcement Notice has been served on the Issuer, the Representative of the Noteholders, may at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it will not be bound to do so unless directed by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Detachable Coupon and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred and subject to Rule 34.3 (*Indemnity*).
Sale of Loan Portfolio	Following the delivery of a Note Enforcement Notice the Representative of the Noteholders may at its discretion direct the Issuer to sell the Loan Portfolio or a substantial part thereof, and will direct the Issuer to sell the Loan Portfolio or a substantial part thereof if requested by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Detachable Coupon and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred and strictly in accordance with the instructions approved thereby subject to Rule 32.4 (*Conflicts*) (and subject to being indemnified to its satisfaction).
Rating	The Class A Notes are expected to be rated "A(high)sf" by DBRS and "A+sf" by Fitch on the Closing Date. The Class B Notes are expected to be rated "Asf" by DBRS and "Asf" by Fitch on the Closing Date. The Class C Notes are expected to be rated "BBB(low)sf" by DBRS and "BBBsf" by Fitch on the Closing Date. The Class D Notes are expected to be rated "BB(low)sf" by DBRS and "BBsf" by Fitch on the Closing Date. **A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. The credit rating applied for in relation to the Notes will be issued by the Rating Agencies each of which is established in the European Union and is registered under the CRA Regulation, as resulting from the list of registered credit rating agencies published by the ESMA, on its website (www.esma.europa.eu/page/list-registered-and-certified-CRAs) in accordance with the CRA Regulation.**
Listing	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its regulated market. This Offering Circular has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.
Governing Law	The Notes will be governed by Italian law.

Regulatory Disclosure

The Originator, in its capacity as Retention Holder, will undertake to the Issuer and the Representative of the Noteholders, on behalf of the Noteholders, that it will retain, on an on-going basis, a material net economic interest which will in any event not be less than 5 per cent. of the nominal value of the Principal Amount Outstanding of the Notes in accordance with Article 405 of the Capital Requirements Regulation and Article 51 of the AIFM Regulation. As at the Closing Date, such interest will be comprised of 5 per cent. *pari passu* interest in the receivables under each Loan Agreement as required by each of Article 405(a) of the Capital Requirements Regulation and Article 51 of the AIFM Regulation. See the section entitled "*Risk Retention Requirements*" for more information.

Rights of Noteholders and Relationship with the Other Issuer Secured Creditors

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

Noteholder Decision Making

Noteholders holding no less than 10 per cent. of the Principal Amount Outstanding of a Class of Notes (other than the Class X Detachable Coupon) are entitled to convene a Noteholders' meeting (pursuant to the provisions of the Rules and the Meeting so convened may be a Meeting of a Class of Notes different from the Class of Notes held by the Noteholders who requested the convocation of the Meeting). Noteholders can also participate in a Noteholders' meeting convened by the Issuer or Representative of the Noteholders to consider any matter affecting their interests.

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

The Representative of the Noteholders will, pursuant to Condition 21 (*Note Maturity Plan*), be required to convene, at the Issuer's cost, meetings of (a) the Noteholders for the purposes of considering any draft Note Maturity Plan and (b) the Noteholders of the Most Senior Class of Notes outstanding at which Noteholders of such Class will be requested to select their preferred option among the proposals set out in the final Note Maturity Plan.

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

Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class X Detachable Coupon Holder (other than any resolutions in respect of a Class X Entrenched Right) if passed in accordance with the Rules.

Disenfranchised Noteholders (which include the Issuer solely when acting in its capacity as Noteholder, which would be in breach of Condition 7(j) (*No Purchase by Issuer*)) will not be entitled to convene, count in the quorum or pass resolutions, including Extraordinary Resolutions and Ordinary Resolutions.

"**Disenfranchised Noteholder**" means (i) the Issuer (ii) any Loan Obligor and (iii) any affiliate of any Loan Obligor or the Issuer.

Noteholders Meeting Provisions		*Initial Meeting*	*Adjourned Meeting for Wanting of Quorum*
	Notice Period:	14 clear days	7 clear days
	Meeting Quorum (*quorum costitutivo*):	**Ordinary Resolution**: at least 25 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes.	**Ordinary Resolution**: the Principal Amount Outstanding of the relevant Class(es) of Notes represented or held by the Voters actually present at the Meeting.
		Extraordinary Resolution (other than Basic Terms Modification or a resolution relating to Class X Entrenched Rights): at least 50.1 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes.	**Extraordinary Resolution (other than Basic Terms Modification or a resolution relating to Class X Entrenched Rights)**: the Principal Amount Outstanding of the relevant Class(es) of Notes represented or held by the Voters actually present at the Meeting.
		Extraordinary Resolution effecting a Basic Terms Modification (other than a resolution relating to Class X Entrenched Rights): at least 75 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes. See Rule 2 (*Definitions*)—"*Relevant Fraction*".	**Extraordinary Resolution effecting a Basic Terms Modification (other than a resolution relating to Class X Entrenched Rights)**: at least $33^{1}/_{3}$ per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes.
	Required Voting Majority (*quorum deliberativo*):	"**Ordinary Resolution**": more than 50.1 per cent. of the votes cast at the poll.	"**Ordinary Resolution**": more than 50.1 per cent. of the votes cast at the poll.
		"**Extraordinary Resolution**": more than 75 per cent. of the votes cast at the poll. See Rule 14 (*Quorum and Majority*).	"**Extraordinary Resolution**": more than 75 per cent. of the votes cast at the poll. See Rule 14 (*Quorum and Majority*).
	Written Resolutions:	An Extraordinary Resolution passed in writing by holders of 75 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes entitled to vote at a Meeting (a "**Written Extraordinary Resolution**") will have the same effect as an Extraordinary Resolution.	

An Ordinary Resolution passed in writing by holders of 50.1 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes entitled to vote at a Meeting (a "**Written Ordinary Resolution**") will have the same effect as an Ordinary Resolution.

Noteholders holding no less than $33^1/_3$ per cent. of the Principal Amount Outstanding of the relevant Class(es) shall be entitled to require that a Meeting is held instead of a resolution being passed by Written Resolution.

Negative Consent

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

For further information please see Rule 11.6 (*Convening of Meeting*).

Ordinary Resolution

The following matters, *inter alia*, may be passed by way of an Ordinary Resolution (including by way of Negative Consent (other than for (b) below)):

(a) the removal of the Calculation Agent, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Issuer Account Bank, the Paying Agent or the Corporate Servicer;

(b) approval of a Note Maturity Plan; and

(c) decisions by the Controlling Class under Condition 16 (*Controlling Class*).

Extraordinary Resolution

The following matters, *inter alia*, require an Extraordinary Resolution:

(a) approval of a Basic Terms Modification;

(b) approval of certain modifications to the Rules, the Conditions, or an Issuer Transaction Document;

Relationship between Classes of Noteholders

Subject to provisions governing a Basic Terms Modification or matters that require an Extraordinary Resolution, an Ordinary Resolution of Noteholders of the Most Senior Class of Notes will be binding on all other Classes and would override any resolutions to the contrary by them.

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

A Basic Terms Modification requires an Extraordinary Resolution of all Classes of Notes then outstanding (other than the Class X Detachable Coupon).

No Extraordinary Resolution (or Ordinary Resolution) may authorise or sanction any modification or waiver of a Class X Entrenched Right unless the Representative of the Noteholders has received the written consent of the Class X Detachable Coupon Holder.

Originator as Noteholder

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

Controlling Class

The holders of the most junior ranking Class of Notes then outstanding which satisfies the Controlling Class Test are the Controlling Class. As at the Closing Date, the holders of the Class D Notes will be the Controlling Class.

The Controlling Class Test will be satisfied by the most junior ranking Class of Notes (other than the Class X Detachable Coupon) outstanding at the time of determination of the same which:

(a) has a total Principal Amount Outstanding that is not less than 25 per cent. of the Principal Amount Outstanding of such Class as at the Closing Date; and

(b) for which a Control Valuation Event is not continuing.

If no Class of Notes has a Principal Amount Outstanding that satisfies this requirement, then the Controlling Class will be the Most Senior Class of Notes then outstanding.

Operating Advisor

The "**Operating Advisor**" will be the representative appointed by a majority of the Controlling Class in respect of the Loans in accordance with Condition 16 (*Controlling Class*).

The Operating Advisor will have the right:

(a) to require the Representative of the Noteholders to terminate the appointment of and replace the Delegate Special Servicer, subject to certain limitations;

(b) to be consulted on certain matters relating to the servicing and enforcement of the Loans, as provided for in the Delegate Servicing Agreement; and

(c) to be consulted in connection with the preparation of any Asset Status Report.

The appointment of any Operating Advisor will not take effect until the Representative of the Noteholders notifies the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer in writing of the identity of the Controlling Class and the Operating Advisor.

Should the Controlling Class fail to appoint an Operating Advisor (or should an Operating Advisor resign or be terminated and not be replaced), the Controlling Class will be deemed to have waived any rights it may have *vis-à-vis* the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer.

Relationship between Noteholders and the Other Issuer Secured Creditors

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders and the Other Issuer Secured Creditors, the Representative of the Noteholders will take into account the interests of the Noteholders.

Provision of Information to the Noteholders

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

Communication with Noteholders

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

(a) so long as the Notes are held through Monte Titoli, by delivery through Monte Titoli;

and

(b) so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of such exchange so require, by publishing on the website of the Irish Stock Exchange.

The Representative of the Noteholders will be at liberty to disregard any such method where, in its opinion, the use of such method would be unreasonable and/or contrary to the interests of Noteholders, and to sanction some other method as reasonable having regard to market practice then prevailing, to the rules of the stock exchange on which the Notes are then listed and to applicable law and **provided that** notice of such other method is notified to the Noteholders in accordance with applicable law and in such manner as the Representative of the Noteholders may require.

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

Communications between Noteholders

As described in more detail in Condition 18(e) (*Verified Noteholder and Initiating Noteholder*), following receipt of a request for the publication of a notice from a Noteholder (the "**Initiating Noteholder**") which has satisfied the Calculation Agent that it is a Noteholder (a "**Verified Noteholder**"), the Corporate Servicer shall publish such notice on its investor reporting website provided that such notice contains no more than:

(a) an invitation to other Verified Noteholders (or any specified Class or Classes of the same) to contact the Initiating Noteholder;

(b) the name of the Initiating Noteholder and the address, phone number, website or email address at which the Initiating Noteholder can be contacted; and

(c) the date(s) from, on or between which the Initiating Noteholder may be so contacted.

Relevant Dates and Periods

Closing Date

The Issuer will issue the Notes on 12 February 2015 (the "**Closing Date**").

Cut-Off Date

30 September 2014 is the date on which, unless otherwise specified, the information in relation to the Loans and the Properties in this Offering Circular is presented (the "**Cut-Off Date**").

Loan Payment Dates

Each of the following is, a "**Loan Payment Date**":

(a) in respect of the Globe Loan and the Fashion District Loan, 15 February, 15 May, 15 August and 15 November in each year; and

(b) in respect of the Calvino Loan, 7 February, 7 May, 7 August and 7 November in each year and the Loan Maturity Date; provided, however, any such day is not a Loan Business Day, the Loan Payment Date will instead be the next Loan Business Day in that calendar month (if there is one) or the preceding Loan Business Day (if there is not).

Note Interest Determination Date

Each of the following dates is, a "**Note Interest Determination Date**":

(a) with respect to the first Note Interest Period, the day falling two Business Days prior to the Closing Date; and

(b) with respect to each subsequent Note Interest Period, the date falling two Business Days prior to the Note Payment Date at the beginning of such Note Interest Period.

Calculation Date	The date falling two Business Days prior to each Note Payment Date (each, a "**Calculation Date**") on which the Calculation Agent is required (i) to determine all amounts due to be paid in accordance with the applicable Priority of Payments on that Note Payment Date and the amounts available to make such payments and (ii) to deliver the Calculation Agent Quarterly Report.
Note Payment Date	18 February, 18 May, 18 August and 18 November, of each year (or, if such day is not a Business Day, the immediately following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day) is (a "**Note Payment Date**"), **provided that** the first Note Payment Date will be 18 May 2015 (the "**First Note Payment Date**"). The Sole Arranger has the right to direct the Issuer to amend the Note Payment Dates to a day falling no later than 7 calendar days after that of the original Note Payment Dates, i.e., up to the 25 February, 25 May, 25 August and 25 November in each year (or if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day). Any such change shall affect all Note Payment Dates falling on or after it becomes effective. No consent by the Noteholders or by the Representative of the Noteholders shall be required in order to make the above change, **provided that** the Issuer will give a 30 day advance notice, pursuant to Condition 18 (*Notices*), to the Noteholders and, pursuant to the provisions of the Issuer Transaction Documents, to the Other Issuer Secured Creditors of such change and of the date from which it will become effective.
Note Interest Period	In respect of the first Note Interest Period, the period commencing on (and including) the Closing Date and ending on (but excluding) the First Note Payment Date and, in respect of each successive Note Interest Period, the period from (and excluding) the last day of the preceding Note Interest Period to (and excluding) the next following Note Payment Date **provided that** the final Note Interest Period will end on the earlier of the Final Maturity Date and the Loan Payment Date falling on or immediately following the date on which the aggregate Principal Amount Outstanding of the Loans is reduced to zero (each, a "**Note Interest Period**").
Loan Level Report Date	3 Business Days prior to each Note Payment Date (each, a "**Loan Level Report Date**"), on which the Primary Servicer is required to deliver a Loan Level Report.
Investor CREFC Quarterly Report Date	Within 15 Business Days after a Note Payment Date (each, an "**Investor CREFC Quarterly Report Date**"). On each Investor CREFC Quarterly Report Date, the Delegate Primary Servicer will deliver the Investor CREFC Quarterly Report to the Issuer, the Calculation Agent, the Master Servicer, the Delegate Special Servicer, the Representative of the Noteholders and the Rating Agencies. The Investor CREFC Quarterly Report will be in the form prescribed in the standard European Investor Reporting Package published by the Commercial Real Estate Finance Council Europe from time to time (formally and commonly known as the CREFC – European Investor Reporting Package ("**CREFC E-IRP**") (or as modified to take into account any changes for properties located in Italy).
Note Payment Date Investor Report Date	Each Note Payment Date (each, a "**Note Payment Date Investor Report Date**") on which the Calculation Agent is required to deliver a Note Payment Date Investor Report.
Investor Report Date	Within 21 Business Days after a Note Payment Date (each, an "**Investor Report Date**"), on which the Calculation Agent is required to deliver an Investor Report, containing (i) the information provided by the Delegate Primary Servicer on each Investor CREFC Quarterly Report Date and (ii) the information contained in the Quarterly Investor Report.

Credit Structure and Cashflows

Please refer to the sections entitled *"Description of the Issuer Transaction Documents"* for further information in respect of the credit structure and cash flow of the Securitisation.

Issuer Available Funds

The "**Issuer Available Funds**" in respect of any Note Payment Date, comprise the aggregate of the Interest Available Funds and the Principal Available Funds.

Interest Available Funds

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

(a) all amounts paid in respect of the Receivables (other than in respect of any Receivables for which the Relevant Loan Value has been paid) on account of interest (including any default interest but excluding the Interest Consideration), indemnities, fees, breakage costs, expenses and commissions during the immediately preceding Loan Interest Period and credited to the Issuer Collection Account;

(b) all Recoveries in respect of interest collected by the Delegate Primary Servicer or Delegate Special Servicer during the immediately preceding Loan Interest Period and credited to the Issuer Collection Account (other than in respect of any Loan for which the Relevant Loan Value has been paid);

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

(d) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer Accounts during the immediately preceding Loan Interest Period (other than in respect of any Loan for which the Relevant Loan Value has been paid);

(e) the Relevant Loan Value paid under the Loan Portfolio Sale Agreement, if any, excluding the principal element thereof during the immediately preceding Loan Interest Period; and

(f) all other items and payments received by the Issuer which do not qualify as Principal Available Funds and which have been credited to the Issuer Collection Account during the immediately preceding Loan Interest Period (other than in respect of any Loan for which the Relevant Loan Value has been paid).

For the avoidance of doubt, any Temporary Drawing made with respect to a Note Payment Date - while being applied *in lieu* of a portion of the Interest Available Funds corresponding to its amount in order to meet payments to be made on such Note Payment Date under items (i) through (vi) and under items (viii), (x) and (xii) of the Pre-Note Enforcement Notice Priority of Payment - will not constitute Issuer Available Funds for any other purpose under the Conditions or the other Issuer Transaction Documents.

Prior to the delivery of a Note Enforcement Notice, Interest Available Funds will be allocated on each Note Payment Date towards the replenishment of the Issuer Expenses Account Retention Amount, and the payment of the Issuer Expenses, any outstanding Issuer Priority Payments, any other permitted third party fees and expenses, the Administrative Fees, interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, any Note Premium Amount, any Class X Interest Amount, payment of amounts due to the Liquidity Facility Provider under the Liquidity Facility Agreement, and any additional consideration payable pursuant to the Loan Portfolio Sale Agreement to the Originator, as applicable.

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

Principal Available Funds

The "**Principal Available Funds**" in respect of any Note Payment Date and, with reference to payments received by the Issuer during the Loan Interest Period immediately preceding such Note Payment Date, will comprise the aggregate of all payments and repayments of principal received or recovered by or on behalf of the Issuer, in connection with the Loans (other than Loans for which an Relevant Loan Value has been paid), including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

(a) all repayments and pre-payments of principal outstanding under the Receivables (other than in respect of any Receivables for which the Relevant Loan Value has been paid) and the amount allocated to principal in respect of any proceeds received on a purchase by the Delegate Special Servicer of any Receivables or the sale of any Receivables to a third party pursuant to the Master Servicing Agreement or the Delegate Servicing Agreement, as applicable;

(b) amounts recovered in respect of the Receivables which are applied towards the reduction of outstanding principal as a result of any action taken to enforce the Loans (other than in respect of any Receivables for which the Relevant Loan Value has been paid) and/or the Loan Transaction Security; and

(c) the principal element of the Relevant Loan Value under the Loan Portfolio Sale Agreement.

Summary of Priorities of Payments

The Issuer may make the following payments - in priority to all other payments required to be made by the Issuer - on any day such payments are required:

(a) amounts due and payable to Connected Third Party Creditors, including the Issuer's liability, if any, to corporation tax and/or value added tax, under obligations incurred in the course of the Issuer's business, to be funded: first out of the amounts standing to the credit of the Issuer Expenses Account, second (if the above funds are not sufficient) out of the amounts standing to the credit of the Issuer Collection Account, and third (if the above funds are not sufficient) out of Expense Drawings; and

(b) after a Loan Event of Default, any urgent capital expenditure required to prevent a material decline in the value of any Property (as determined by the Delegate Primary Servicer or, if applicable, the Delegate Special Servicer, acting in accordance with the Servicing Standard) to be funded: first out of the amounts standing to the credit of the Issuer Expenses Account, second (if the above funds are not sufficient) out of the amounts standing to the credit of the Issuer Collection Account, and third (if the above funds are not sufficient) out of Property Protection Drawings,

such payments referred to as, the "**Issuer Priority Payments**".

Prior to the delivery of a Note Enforcement Notice or the occurrence of any Insolvency Event in relation to the Issuer, on each Note Payment Date, the Calculation Agent will apply Issuer Available Funds, as determined on the immediately preceding Calculation Date, in the manner and order of priority set out in the left hand column below (the "**Pre-Note Enforcement Notice Priority of Payments**") (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full).

Following the delivery of a Note Enforcement Notice or the occurrence of an Insolvency Event in relation to the Issuer and in case of optional redemption in the circumstance provided for under Condition 7(b) (*Optional Redemption*) and Condition 7(c) (*Optional Redemption for Taxation Reasons*), on each Note Payment Date, the Representative of the Noteholders will apply Issuer Available Funds as determined on the immediately preceding Calculation Date, in the manner and order of priority set out in the right hand column below (the "**Post-Note Enforcement Notice Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full).

Pre-Note Enforcement Notice Priority of Payments		Post-Note Enforcement Notice Priority of Payments	
(i)	*First*, in or towards satisfaction of or in or towards allocation, for payment during the then current Note Interest Period, *pari passu* and *pro rata* according to the respective amounts thereof (A) any Issuer Expenses; (B) any third party fees and expenses payable by the Issuer as permitted under the Issuer Transaction Documents including but not limited to taxes and fees due to auditors, tax advisors and legal counsel of the Issuer; and (C) any outstanding Issuer Priority Payments;	(i)	*First*, in or towards satisfaction of, *pari passu* and *pro rata* according to the respective amounts thereof (A) any Issuer Expenses; (B) any third party fees and expenses payable by the Issuer as permitted under the Issuer Transaction Documents including but not limited to taxes and fees due to auditors, tax advisors and legal counsel and anticipated wind-up costs of the Issuer; and (C) any outstanding Issuer Priority Payments;
(ii)	*Second*, in or towards satisfaction of fees, expenses and all other amounts due to the Representative of the Noteholders (and its appointees (if any));	(ii)	*Second*, in or towards satisfaction of fees, expenses and all other amounts due to the Representative of the Noteholders (and its appointees (if any));
(iii)	*Third*, to credit to the Issuer Expenses Account such an amount as will bring the balance of such account up to but not in excess of the Issuer Expenses Account Retention Amount;	(iii)	*Third*, to credit to the Issuer Expenses Account such an amount as will bring the balance of such account up to but not in excess of the Issuer Expenses Account Retention Amount;
(iv)	*Fourth*, in or towards satisfaction of, *pari passu* and *pro rata* according to the respective amounts thereof, fees, expenses and all other amounts due and payable to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer;	(iv)	*Fourth*, in or towards satisfaction of, *pari passu* and *pro rata* according to the respective amounts thereof, fees, expenses and all other amounts due and payable to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer;
(v)	*Fifth*, in or towards satisfaction of any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);	(v)	*Fifth*, in or towards satisfaction of any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);
(vi)	*Sixth*, in or towards satisfaction of, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes (other than with respect to the Class X Detachable Coupon) and, prior to a Class X Trigger Event, the Class X Interest Amount;	(vi)	*Sixth*, in or towards satisfaction of *pro rata*, all amounts outstanding in respect of interest (other than with respect to the Class X Detachable Coupon), Note Prepayment Fees and principal payable on the Class A Notes;
(vii)	*Seventh*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such	(vii)	*Seventh*, in or towards satisfaction of, *pro rata,* all amounts outstanding in respect of interest,

	Class of Notes and (ii) the lesser of (A) the Class A Principal Payment Amount due and payable and (B) the Principal Amount Outstanding of the Class A Notes		Note Prepayment Fees and principal payable on the Class B Notes;
(viii)	*Eighth*, in or towards satisfaction of, *pro rata*, all amounts of interest due and payable on the Class B Notes on such Note Payment Date;	(viii)	*Eighth*, in or towards satisfaction of, *pro rata,* all amounts outstanding in respect of interest, Note Prepayment Fees and principal payable on the Class C Notes;
(ix)	*Ninth*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such Class of Notes and (ii) the lesser of (A) the Class B Principal Payment Amount due and payable and (B) the Principal Amount Outstanding of the Class B Notes;	(ix)	*Ninth*, in or towards satisfaction of, *pro rata*, all amounts outstanding in respect of interest, Note Prepayment Fees and principal payable on the Class D Notes;
(x)	*Tenth*, in or towards satisfaction of, *pro rata*, all amounts of interest due and payable on the Class C Notes on such Note Payment Date;	(x)	*Tenth*, in or towards satisfaction of, *pari passu* and *pro rata*, the Note Extension Fee allocated to each Class of Notes (other than the Class X Detachable Coupon);
(xi)	*Eleventh*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such Class of Notes and (ii) the lesser of (A) the Class C Principal Payment Amount due and payable and (B) the Principal Amount Outstanding of the Class C Notes;	(xi)	*Eleventh*, in or towards satisfaction of any Liquidity Subordinated Amounts;
(xii)	*Twelfth*, in or towards satisfaction of, *pro rata*, all amounts of interest due and payable on the Class D Notes on such Note Payment Date;	(xii)	*Twelfth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class A Notes;
(xiii)	*Thirteenth*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such Class of Notes and (ii) the lesser of (A) the Class D Principal Payment Amount due and payable and (B), the Principal Amount Outstanding of the Class D Notes;	(xiii)	*Thirteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class B Notes;
(xiv)	*Fourteenth*, in or towards satisfaction of, *pari passu* and *pro rata*, the Note Extension Fee allocated to each Class of Notes (other than the Class X Detachable Coupon);	(xiv)	*Fourteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class C Notes;
(xv)	*Fifteenth*, in or towards satisfaction of any Liquidity	(xv)	*Fifteenth*, in or towards satisfaction of any Note Premium

	Subordinated Amounts;		Amount due and payable on the Class D Notes;
(xvi)	*Sixteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class A Notes;	(xvi)	*Sixteenth*, in or towards satisfaction of an amount up to the Subordinated Class X Amount;
(xvii)	*Seventeenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class B Notes;	(xvii)	*Seventeenth*, in or towards satisfaction of indemnity amounts due to the Lead Manager and/or the Sole Arranger under the Subscription Agreement, if any; and
(xviii)	*Eighteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class C Notes;	(xviii)	*Eighteenth*, in or towards satisfaction of (A) any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator and (B) any other amount payable to the Originator under any other Issuer Transaction Document.
(xix)	*Nineteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class D Notes;		
(xx)	*Twentieth*, following the occurrence of a Class X Trigger Event, in or towards satisfaction of an amount up to the applicable Subordinated Class X Amount;		
(xxi)	*Twenty first*, in or towards satisfaction of indemnity amounts due to the Lead Manager and/or the Sole Arranger under the Subscription Agreement, if any; and		
(xxii)	*Twenty second*, in or towards satisfaction of (A) any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator and (B) any other amount payable to the Originator under any other Issuer Transaction Document,		

provided that Liquidity Drawings (other than Temporary Drawings, if any) will not be made available to make any payments of principal of the Notes, Note Premium Amount or of interest on the Class X Detachable Coupon or to the Originator in respect of any additional consideration.

General Credit Structure

The general credit structure of the Securitisation includes the following elements:

(a) Intercreditor Agreement

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

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders will be authorised, if a Note Enforcement Notice has been served upon the Issuer following the occurrence of a Note Event of Default to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Issuer Transaction Documents to which the Issuer is a party.

In addition, upon the occurrence of a Specified Event, the Representative of the Noteholders will have the right to exercise, in the name and on behalf of the Issuer and in the interest and for the benefit of the Noteholders and the Other Issuer Secured Creditors, the rights of the Issuer under the Transaction Documents to which the Specified Event relates.

"**Specified Event**" means with respect to the rights of the Issuer under an Issuer Transaction Document, the combination of:

(i) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any discretion, authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Issuer Transaction Document; and

(ii) the expiry of ten days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requesting the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such discretions, authorities or powers, to give any such direction or to make any such determination, provided that the right to replace the Master Servicer might be exercised only where the Issuer has failed to replace the Master Servicer for a period of at least 30 days.

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

(b) Cash Allocation, Management and Payments Agreement

Under the terms of the Cash Allocation, Management and Payments Agreement, the Issuer Account Bank, the Calculation Agent, the Corporate Servicer and the Paying Agent have agreed to provide the Issuer with certain calculation, notification, cash management, agency and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Issuer Accounts and with certain agency services.

The Calculation Agent has agreed to prepare and distribute, on each Calculation Date, the Calculation Agent Quarterly Report with respect to the allocation of the Issuer Available Funds on the Note Payment Date immediately following such Calculation Date in accordance with the applicable Priority of Payments. On each Note Payment Date, the Paying Agent will apply amounts transferred to it out of the Issuer Payments Account in or towards making payments to the Other Issuer Secured Creditors and Connection Third Parties Creditors in accordance with the Priority of Payments, as set

out in the Calculation Agent Quarterly Report.

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

(c) Pledge Agreement and English Security Agreement

Under the terms of the Pledge Agreement, the Issuer will grant to the Representative of the Noteholders (acting for itself and for the benefit of the Noteholders and the Other Issuer Secured Creditors) a pledge over certain monetary rights to which the Issuer is entitled from time to time pursuant to certain Issuer Transaction Documents to which the Issuer is a party (the "**Italian Secured Obligations**"),

Under the terms of the English Security Agreement, the Issuer will assign absolutely, subject to a proviso for re-assignment on redemption, by way of security for the payment and discharge of the Secured Obligations to the Representative of the Noteholders all claims which the Issuer is or may become entitled to:

(i) in respect of the Liquidity Facility Agreement; and

(ii) in respect of all other contracts, agreements, deeds or instruments governed by or otherwise subject to English law to which the Issuer may after the Closing Date become party or under which it may receive benefit in connection with the Securitisation.

Collectively, the "**English Secured Obligations**" and together with the Italian Secured Obligations, the "**Secured Obligations**".

In addition, the Issuer has charges all claims in and all sums of money or securities which are from time to time and at any time standing to the credit of the Issuer Accounts and any other bank, securities or other account opened and maintained in England and Wales and in which the Issuer may at any time acquire any claim or otherwise place and hold its cash or securities, resources, in each case in the context of the Securitisation, and in the funds or securities from time to time standing to the credit of such accounts and in the debts represented thereby. Furthermore, the Issuer will charge all claims in and to all Eligible Investments made by or on behalf of the Issuer using monies standing to the credit of the Issuer Stand-by Account which can be subject to English law security.

See section entitled "*Description of the Issuer Transaction Documents—The Pledge Agreement*" and "*Description of the Issuer Transaction Documents—The English Security Agreement*" for further details.

(d) Credit Support

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

(e) Liquidity Support

Pursuant to the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to grant a facility to the Issuer in order to make good, any shortfall in the payment of any interest due by the Issuer to any of the holders of the Most Senior Class of Notes. The Liquidity Facility will not be available to cover shortfalls in funds available to the Issuer to pay amounts in respect of principal of the Notes, Note Premium Amount or amounts payable on the Class X Detachable Coupon or to the Originator in respect of any additional consideration payable under the Loan Portfolio Sale Agreement. See section entitled "*The Liquidity Facility Agreement*" for further details.

Issuer Accounts The Issuer Accounts will be established in the name of the Issuer with the Issuer Account Bank and will be maintained with the Issuer Account Bank for as long as the Issuer Account Bank is an Eligible Institution.

See the section entitled "*The Issuer Accounts Structure*" for further information.

Administrative Fees

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

Type of Fee	Amount of Fee[8]	Priority in Cashflow	Frequency
Primary Servicing Fee[9]	0.0125 per cent. per annum of the outstanding principal amount of each Loan	Ahead of all outstanding Notes	Payable on each Note Payment Date
Special Servicing Fees	together with any applicable Recovery Fee, 0.12 per cent. per annum of the outstanding principal amount of any Loan while it is a Specially Serviced Loan[10]	Ahead of all outstanding Notes	Payable in advance on each Note Payment Date
Recovery Fee	0.06 per cent. per annum of the outstanding principal amount of each Loan while it is a Specially Serviced Loan[11]	Ahead of all outstanding Notes	Payable in advance on each Note Payment Date
Liquidation Fee	0.6 per cent. of Liquidation Proceeds of any Specially Serviced Loan	Ahead of all outstanding Notes	Payable on each Note Payment Date, to the extent Liquidation Proceeds are received
Workout Fee	0.6 per cent. of interest and principal collections on each Loan while it is a Corrected Loan	Ahead of all outstanding Notes	Payable on each Note Payment Date
Liquidity Commitment Fee	1 per cent. per annum of the undrawn and uncancelled Liquidity Commitment	Ahead of all outstanding Notes	Payable on each Note Payment Date quarterly in arrear
Delegate Primary Servicer's Modification Fee	As agreed in connection with the relevant modification	Ahead of all outstanding Notes	As agreed in connection with a modification of a Loan

[8] All fees are exclusive of value added tax, if applicable.
[9] In addition to the Primary Servicing Fee, the Delegate Primary Servicer will be paid the agency fee payable to the Borrower Facility Agent pursuant to the Loan Finance Documents (for so long as the Delegate Primary Servicer and the Borrower Facility Agent are the same entity). Also, in addition to the master servicing fee, the Master Servicer will be paid the agency fee payable to the Borrower Security Agent pursuant to the Loan Finance Documents (for so long as the Master Servicer and the Borrower Security Agent are the same entity).
[10] To remunerate all special servicing activity (such as management activity) other than recovery activity and activities remunerated by the other fee component below.
[11] To remunate recovery activity.

Type of Fee	Amount of Fee[8]	Priority in Cashflow	Frequency
	of a Loan		
Other Fees and Expenses of the Issuer	Estimated at €135,000 per annum	Ahead of all outstanding Notes	Various

RISK FACTORS

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

The occurrence of any of the events described below could have a material adverse impact on the business, financial condition or results of operations of the Issuer and/or the Loan Obligors and could lead to, among other things a Loan Event of Default or a Note Event of Default.

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

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

Considerations Relating to the Notes

Risks Relating to the Sufficiency of the Assets of the Issuer

Payments in respect of the Notes are dependent on, and limited to, the receipt of funds from the Receivables, and, where necessary and applicable, the Liquidity Facility Agreement (with respect to interest payments on the Most Senior Class of Notes). In turn, recourse to the Receivables is generally limited to the Borrowers, the Loan Obligors and their assets, which consist of the Properties and certain other assets, security over which has been created to secure the Loans, and whose business activities are limited to owning, developing, managing, financing and otherwise dealing with such assets.

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

The ability of the Issuer to redeem the Notes in full on or prior to the Final Maturity Date is dependent on receipt by the Issuer of all principal amounts outstanding under the Loans either by way of prepayment or repayment of the Loans by the Borrowers or the realisation of sufficient proceeds upon enforcement of the security for the Loan following a Loan Event of Default.

The ability of the Borrowers to repay the Loan in full on the relevant Loan Maturity Date (to the extent it is not prepaid) will depend, among other things, upon them having sufficient available cash or equity to make such repayment, or upon their ability to find a lender willing to lend sufficient funds to the Borrowers to enable them to repay the Loan (secured against some or all of the relevant Properties) or upon the ability of the Borrowers to sell some or all of the Properties at a price sufficient to discharge the outstanding balance of the Loan. See "*—Considerations Relating to Loans and the Loan Transaction Security—Refinancing Risk*" below.

If, following the occurrence of a Loan Event of Default and following the exercise by the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer of all available rights and remedies in respect of the Loan Portfolio, all Loan Transaction Security and any other related document (including, amongst others, any relevant insurance policy) purchased on the LPSA Closing Date by the Issuer pursuant to the terms and conditions of the Loan Portfolio Sale Agreement, the Issuer does not receive, prior to the Final Maturity Date, the full amount due from the Borrowers, then it will not be possible to pay some or all of the principal and interest due on the Notes.

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

The rate and timing of delinquencies or defaults on the Loans will affect the aggregate amount of distributions on the Notes, their yield to maturity, the rate of principal payments and their weighted average life.

If anticipated yields are calculated based on assumed rates of default and losses that are lower than the default rate and losses actually experienced and such losses are allocable to the Notes, the actual yield to maturity will be lower than the assumed yield. Under certain extreme scenarios, such yield could be negative. In general, the earlier a loss borne by the Notes occurs, the greater the effect on the related yield to maturity.

Additionally, delinquencies and defaults on the Receivables may significantly delay the receipt of payments on the Notes, unless Liquidity Drawings are made to cover delinquent interest payments in respect of the relevant Class as long as it is the Most Senior Class of Notes or the credit support provided through the subordination of another Class of Notes fully offsets the effects of any such delinquency or default.

Risks Relating to the Limited Recourse Obligations of the Issuer

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

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

Claims of Unsecured Creditors of the Issuer

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

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

Each Other Issuer Secured Creditor has undertaken in the Intercreditor Agreement not to petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the

Issuer until the date falling two years and one day after the date on which the Notes have been redeemed in full or cancelled in accordance with their terms and conditions.

Risk of Claw Back

Pursuant to the provisions of paragraph 4 of article 4 of the Securitisation Law, assignments executed under the Securitisation Law are subject to claw-back upon an insolvency regulated by Italian law, under article 67 of the Bankruptcy Law, but only in the event that the securitisation transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or, in cases where sub paragraphs 1 through 3 of paragraph 1 of article 67 apply, within six months of the adjudication of bankruptcy.

The creation of security interest is subject to claw-back upon an insolvency regulated by Italian law under article 67 of the Bankruptcy Law, the relevant hardening period ranges from six months to one year, depending, *inter alia*, on the date on which the relevant security is taken. In particular, with reference to the Mortgages (the "**Mortgages**") and other securities of the Loans, the relevant hardening period (i.e., one year in the case of the Globe Dima Borrower, as the relevant mortgage has been created after the creation of the relevant debt and six months in the other cases), has not yet elapsed on the Closing Date.

As better described in the section "*Selected Aspects of Italian Law—Forced Liquidation of the C2 Investment Fund and the MOMA Fund*", Italian funds are subject to a dedicated insolvency procedure ("*liquidazione coatta amministrativa*"); based on the literal interpretation of the rules applying to such insolvency procedure article 67 of the Bankruptcy Law should not be applicable to the Calvino Borrower and to the Fashion District Borrower. The above interpretation is untested in court.

Law Applicable to the Assignment of Receivables

Pursuant to article 14 ("**Article 14**") of Regulation (EC) 593/2004 on the law applicable to contractual obligations (the "**Rome I Regulation**"), the relationship between assignor and assignee under a voluntary assignment of receivables owned *vis-à-vis* a third party debtor is governed by the law chosen by the assignor and the assignee to govern the relevant assignment agreement (in our case, Italian law, as the law governing the Loan Portfolio Sale Agreement). The Rome I Regulation further provides that the law which governs the assigned receivable (i.e. the law governing the agreement from which such receivables arise) shall determine, *inter alia*, the assignability of the receivable, the relationship between the assignee and the assigned debtor, the conditions under which the assignee can invoke the assignment against the debtor and whether the debtor's obligations have been discharged. Considering that the Calvino Loan Agreement and the Globe Loan Agreement are governed by Italian Law, while the Fashion District Loan Agreement is governed by English law, based on a conservative interpretation which extends the application of the Article 14 also to assignment of receivables as a block (*cessione di crediti pecuniary individuabili in blocco*) performed under the Securitisation Law, Italian law would determine the assignability of the Receivables and the enforceability of any assignment as against the Calvino Borrower and the Globe Borrower, while the English law would determine the assignability of the Receivables and the enforceability of any assignment as against the Fashion District Borrower.

To address this issue, the Receivables arising from the Fashion District Loan Agreement and the connected rights under the relevant Loan Documents (the "**Other Rights**") will be assigned also in accordance with the conditions, procedures and formalities set out in the Fashion District Loan Agreement, which include, *inter alia*, the execution and delivery to the Originator of an assignment agreement, in the form substantially set out in the same Fashion District Loan Agreement and attached as a schedule to the Loan Portfolio Sale Agreement.

Neither Article 14 nor any other provision of the Rome I Regulation provides for the law governing the effectiveness and enforceability of the assignment of receivables against third party creditors of the assignor (including upon insolvency). In the absence of any Italian case law in this respect, the issue is debated. The majority of the Italian legal commentators posit that the law governing the assigned receivable (in our case, respectively English law as for the Fashion District Loan Agreement and Italian law, as for the Calvino Loan Agreement and the Globe Loan Agreement) should be followed also to determine the manner in which the assignment is to be rendered enforceable against third parties, including third party creditors of the assignor (in our case the Originator) and the insolvency receiver in the event of the assignor's insolvency. Other Italian legal commentators have sustained that the law determining the enforceability of an assignment *vis-à-vis* third party creditors of the assignor would be the law of the jurisdiction where the relevant assigned debtor (in our case Italian law) is located. Finally, other scholars have taken the different view that the law governing the

enforceability of the assignment against third parties is that of the jurisdiction of incorporation of the assignor (in our case US law).

Originator as a Branch of a Third-Country Credit Institution

The Originator is an American credit institution licensed as a bank by the United States banking authorities (acting through its Milan Branch). Pursuant to article 95 of the Banking Act – which essentially reflects the principles expressed by the Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions - in the event the Originator were insolvent, the compulsory administration liquidation procedure (*liquidazione coatta amministrativa*) set out by articles 80 et seq. of the Banking Act would apply, to the extent compatible.

Furthermore, in accordance with the rules set out by article 19 of the above Directive 2001/24/EC, in the event another European branch were to become insolvent, the administrative or judicial authorities and any liquidators involved in the winding-up in that European Member State would have to endeavour to coordinate with those of Italy. However, each of the two procedures should apply, to the extent compatible, its local laws and regulations.

Due to the absence of Italian case law on this matter, it is not possible to exclude that a different approach could be taken by the Bank of Italy in event an insolvency procedure were started outside the European Union or that a law of a different State were to be applied.

Loan Transaction Security governed by Luxembourg Law

Under Luxembourg conflicts of laws rules, it is unclear which law applies to issues relating to the effectiveness against third parties of assignments of, or pledges over, receivables. That law could be determined by the location of the creditor and/or the location of the debtor and/or the law applicable to the receivable. Therefore, so far as the Loan Transaction Security and their assignment pursuant to the Loan Portfolio Sale Agreement are concerned, it cannot be ruled out that a Luxembourg court could consider that, where a creditor of a receivable is located outside of Luxembourg, where a debtor of a receivable is located outside of Luxembourg or where a relevant receivable is governed by a law other than Luxembourg law, the perfection, effectiveness and enforcement of the Loan Transaction Security and the effectiveness of their assignment pursuant to the Loan Portfolio Sale Agreement in respect of that creditor, that debtor or that receivable be governed by the law of the location of that creditor, the law of the location of that debtor or the law applicable to that receivable, respectively. Without prejudice to the foregoing, the currently prevailing position of the Luxembourg courts seems to be that the effectiveness against third parties of assignments of, or pledges over, receivables depends on the satisfaction of the relevant requirements applicable as a matter of the laws of the jurisdiction(s) where the debtor(s) is/are located.

With respect to any shares pledged under the Loan Transaction Security, such shares may also have limited value in the event of a bankruptcy, insolvency or other similar proceedings in relation to the entity whose shares have been pledged because all of the obligations of such entity must first be satisfied, leaving little or no remaining assets in that entity. As a result, the creditors secured by a pledge of the shares of that entity may not recover anything of value in the case of an enforcement sale of the pledged shares.

Considerations Relating to Yield and Prepayments

The yield to maturity on the Notes will depend, to a large extent, upon the rate and timing of principal payments on the Loans. For this purpose, principal prepayments include both voluntary prepayments, if permitted, mandatory prepayments, such as prepayments resulting from sales of Properties, mandatory partial prepayment on 7 November 2015 of the Calvino Loan, pursuant to the Calvino Loan Agreement (see "*—Considerations Relating to the Properties—Calvino Missing Items and Updated Valuation*") and, in general, involuntary prepayments, such as prepayments resulting from defaults and liquidations.

If any Class of Notes is purchased at a premium, and if payments and other collections of principal on the Receivables occur at a rate faster than anticipated at the time of the purchase and/or prepayment fees are received by the Issuer and applied to repay principal of the Notes, then the weighted average period during which interest earned on the Noteholders' investments may shorten and the actual yield to maturity on that Class of Notes may be lower than assumed at the time of the purchase. If any Class of Notes is purchased at a discount, and if payments and other collections of principal on the Receivables occur at a rate slower than anticipated at the time of the purchase, then the actual yield to maturity on that Class of Notes may be lower than assumed at the time of the purchase. The investment performance of any Note may vary materially and

adversely from expectations due to the rate of payments and other collections of principal on the Loans being faster or slower than anticipated. Accordingly, the actual yield may not be equal to the yield anticipated at the time the Note was purchased, and the expected total return on investment may not be realised.

An independent decision should be made by prospective Noteholders as to the appropriate prepayment assumptions to be used when deciding whether to purchase any Note.

Risks Relating to Expected and Final Maturity of the Notes

The Loans may not be fully repaid or refinanced by the Expected Maturity Date. After the Expected Maturity Date, the Loan Transaction Security may not be fully realised (or may not be fully realised by the Final Maturity Date). This is most likely to arise in situations where prevailing market conditions are such that realisations of the Properties are likely to be lower than under current market conditions. In any case, this might result in a failure by the Issuer to repay the Notes on or prior to the Final Maturity Date. Failure to repay the Notes on the Note Payment Date immediately following a Loan Payment Date in an amount corresponding to the outstanding principal amount of the relevant Loan is likely to result in the credit ratings of the Notes being downgraded or withdrawn by the Rating Agencies. Failure to repay the Notes in full by the Final Maturity Date will result in the Notes to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Notes will (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

If one or more of the Loans remain outstanding six months prior to the Final Maturity Date and all recoveries then anticipated by the Delegate Special Servicer with respect to that Loan (whether by enforcement of the Loan Transaction Security or otherwise) are, in the opinion of the Delegate Special Servicer, unlikely to be realised in full prior to the Final Maturity Date, the Delegate Special Servicer will be required to present to the Issuer, the Noteholders and the Representative of the Noteholders, a Note Maturity Plan no later than 45 days after such date. At least one proposal provided by the Delegate Special Servicer must be that the Representative of the Noteholders, at the cost of the Issuer, will engage an independent financial advisor or a receiver to advise the Representative of the Noteholders on and/or to effect the realisation of the assets of the Issuer for the purposes of redeeming the Notes.

Upon receipt of the Note Maturity Plan, the Representative of the Noteholders will be required to convene a meeting of all Noteholders, at the cost of the Issuer, at which the Noteholders will have the opportunity to discuss the various proposals contained in the Note Maturity Plan with the Delegate Special Servicer. Following such meeting, the Delegate Special Servicer will have the opportunity to modify the Note Maturity Plan and will provide a final Note Maturity Plan (the "**Final Note Maturity Plan**") to the Issuer, the Noteholders and the Representative of the Noteholders.

Upon receipt of the Final Note Maturity Plan, the Representative of the Noteholders will be required (at the direction of the Delegate Special Servicer), either (i) to convene, at the cost of the Issuer, a meeting of Noteholders of the Most Senior Class of Notes outstanding at which the Noteholders of such Class will be requested to select, by way of Ordinary Resolution, their preferred option among the proposals set forth in the Final Note Maturity Plan or (ii) to request, at the cost of the Issuer, the approval of the holders of the Most Senior Class of Noteholders of their preferred options amongst the proposals set forth in the Final Note Maturity Plan by way of Written Ordinary Resolution. The proposal that receives the approval of the holders of the Most Senior Class of Notes then outstanding by way of Ordinary Resolution will be implemented. If no proposal receives the approval of the holders of the Most Senior Class of Notes then outstanding by way of Ordinary Resolution at such meeting or Written Ordinary Resolution, as applicable, then the Representative of the Noteholders will be deemed to be directed by all the Noteholders to appoint a receiver in order to realise the secured assets of the Issuer pursuant to the Issuer Security Documents.

Risks Relating to Amounts Accrued above Interest Available Funds

On each Note Payment Date prior to the service of a Note Enforcement Notice, in which there is a positive difference between the Class D Interest Amount and the Adjusted Interest Payment Amount (each as defined in Condition 6(j) (*Class D Notes Interest Available Funds Cap*)) which is attributable to a reduction in the interest-bearing balance of any of the Loans as a result of prepayments (whether arising voluntarily or otherwise), the maximum amount of interest then due and payable on the Class D Notes will be limited to the amount equal to the lesser of (i) the Class D Interest Amount that would be payable, as calculated pursuant to Condition 6(e)(iv) (*Rates of Interest*) and (ii) the Class D Adjusted Interest Payment Amount and the Issuer will have no further

obligation to pay any amount in respect of interest that would otherwise be due and payable in respect of such Class of Notes on such Note Payment Date or such other date on which funds are to be distributed.

The yield to maturity on the Class X Note will be highly sensitive to the rate and timing of principal payments and collections (including by reason of a voluntary or involuntary prepayment, or a default and liquidation) on the Loan. Investors in the Class X Note should fully consider the associated risks, including the risk that a faster than anticipated rate of principal payments and collections could result in a lower than expected yield, and an early liquidation of the Loan could result in the failure of such investors to fully recoup their initial investments.

Risks Relating to the Deferral of Interest on Certain Classes of Notes

To the extent that funds available to the Issuer to pay interest on any Class of Notes (other than any Note Interest Payment Amount on the Most Senior Class of Notes), including any payment under the Class X Detachable Coupon, on a Note Payment Date are insufficient to pay the full amount of interest due on such Notes then the relevant Deferred Interest will not fall due on that Note Payment Date. Such Deferred Interest will not accrue interest and will be payable on the earlier of (a) any succeeding Note Payment Date, when any such Deferred Interest will be paid but only if and to the extent that, on such Note Payment Date, there are sufficient funds available to the Issuer for those purposes, after deducting amounts ranking in priority to the relevant Class of Notes in accordance with the Pre-Note Enforcement Notice Priority of Payments and (b) the date on which the relevant Notes are due to be redeemed in full.

Non-payment when due of interest on any Class of Notes other than non-payment of the Note Interest Payment Amount on the Most Senior Class of Notes then outstanding will not cause a Note Event of Default.

For each Note Interest Period commencing on or after the Expected Maturity Date, the payment of interest accrued on the Notes that represents a Note Premium Amount (if any) will be subordinated to, *inter alia*, other payments of interest and payments of principal on the Notes.

Subordination

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

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

Absence of Operating History of the Issuer; Reliance on Agents

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

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

Rights of the Operating Advisor in relation to the Loans

The Operating Advisor, on behalf of the Controlling Class, will have the right to require the Issuer to replace the person then acting as the Delegate Special Servicer and to be consulted in relation to certain actions with respect to the servicing and enforcement of the Receivables including, among other things, certain modifications, waivers and amendments of the Loans, the release of any security and the release of the

Borrowers' obligations under the Loan Agreements. The Master Servicer, the Delegate Primary Servicer or Delegate Special Servicer will not be permitted to act upon any direction given by the Operating Advisor, or to refrain from taking any action resulting from the consultation or approval rights of the Operating Advisor, if so acting or refraining from acting would cause it to violate the Servicing Standard. There can be no assurance that any advice provided by the Operating Advisor will ultimately maximise the recoveries on the Loans. For further details of the Operating Advisor's consultation rights, see the sections entitled "*Description of the Issuer Transaction Documents—The Servicing Arrangements*" and "*Servicing Arrangements for the Loans*". The Operating Advisor may act solely in the interests of the Controlling Class; the Operating Advisor does not have any duties to any Noteholders other than the Controlling Class; the Operating Advisor may take actions that favour the interests of the Controlling Class over the interests of the other Noteholders; the Operating Advisor will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class; and the Operating Advisor will have no liability whatsoever for having acted solely in the interests of the Controlling Class, and no holder of any Class of Notes (other than the Controlling Class) may take any action whatsoever against the Operating Advisor for having so acted.

Appointment of Substitute Master Servicer, Substitute Delegate Primary Servicer or Substitute Delegate Special Servicer

The termination of the appointment of the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer, under the Master Servicing Agreement or Delegate Servicing Agreement (as applicable) will only be effective once a substitute Master Servicer, or substitute Delegate Primary Servicer or substitute Delegate Special Servicer, as the case may be, has effectively been appointed (see the sections entitled "*Description of the Issuer Transaction Documents—The Servicing Arrangements*" and "*Servicing Arrangements for the Loans*"). There can be no assurance that a suitable substitute Master Servicer or substitute Delegate Primary Servicer or substitute Delegate Special Servicer could be found who would be willing to service the Loans and the relevant security at a commercially reasonable fee, or at all, on the terms of the Master Servicing Agreement or Delegate Servicing Agreement (as applicable). In any event, the ability of such substitute Delegate Primary Servicer or substitute Delegate Special Servicer to perform such services fully would depend on the information and records then available to it. The fees and expenses of a substitute Delegate Primary Servicer or substitute Delegate Primary Servicer would be payable in priority to payment of interest under the Notes.

Delegation of Primary and Special Servicing Roles

Pursuant to the Delegate Servicing Agreement, the Master Servicer will delegate the roles of Delegate Primary Servicer and Delegate Special Servicer to Mount Street Mortgage Servicing Limited as Delegate Primary Servicer and Delegate Special Servicer. Pursuant to the Securitisation Law, the Master Servicer is required to monitor the Securitisation. The Master Servicer may revoke the appointment of the Delegate Primary Servicer or of the Delegate Special Servicer or may prevent the Delegate Primary Servicer or the Delegate Special Servicer from taking certain actions to the extent that the Master Servicer considers such acts would infringe the Securitisation Law. Such action could be taken without the consent of Noteholders. See further section entitled "*Description of the Issuer Transaction Documents—The Servicing Arrangements*" and "*Servicing Arrangements for the Loans*".

Conflict of Interests

The Originator, in its capacity as Retention Holder, and each of the Borrower Facility Agents and the Borrower Security Agents with respect to payments of the agency fees as set out in the relevant Loan Agreement, are all creditors of the relevant Borrowers, as well as the Issuer. Pursuant to the terms of the Intercreditor Agreement or of separate agreements, as applicable, each of them has undertaken and agreed with the Issuer, in the interest and for the benefit of all Issuer Secured Creditors, that it will not exercise any of its own rights, interests and prerogatives under the Loan Finance Documents and in connection with the receivables arising under the relevant Loan Agreements in such a way as to prejudice the interest of the Issuer and of the Securitisation.

Conflicts between Servicing Entities and the Issuer

The Issuer has been advised by the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer, as applicable, that they intend to continue to service existing and new loans for third parties, including loans similar to those included in the Loan Portfolio, in the ordinary course of their businesses. These loans

may be in the same markets or have common owners, obligors and/or property managers as the Loans and the Properties. Certain personnel of the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, may, on behalf of the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, perform services with respect to the Loans at the same time as they are performing services, on behalf of other persons or itself, with respect to other loans in the same markets as the Properties securing the Loans. In such a case, the interests of the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer as applicable, and their affiliates and their other clients may differ from and compete with the interests of the Issuer and such activities may adversely affect the amount and timing of collections on the Receivables.

In addition, affiliates of the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, may actively engage in the financing of commercial property, including commercial property that competes with the Properties, and may in the future have relationships, including financing relationships, with the equity owners of the Borrowers under the Loans. Such activities and relationships may create conflicts of interest for the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, in its servicing of the Loans.

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

Rights of the Controlling Class

The Controlling Class (through the Operating Advisor) will have the right to remove and replace the Delegate Special Servicer (subject to certain exceptions) as described in section entitled "*Servicing Arrangements for the Loans—Controlling Class and Operating Advisor*" and in some instances approve certain Delegate Primary Servicer's or, as applicable, Delegate Special Servicer's actions with respect to the Loans including, among other things, any realisation upon any Loan, the appointment of a receiver, modifications, waivers and amendments of any monetary terms of any Loan, the release of any security, the release of any Borrower's obligations under the Loan Agreements (other than in circumstances which are contemplated by the Finance Documents). Neither the Delegate Primary Servicer nor the Delegate Special Servicer are permitted to follow any such direction if, in their good faith and reasonable judgment, it would cause the Delegate Primary Servicer or Delegate Special Servicer to violate the Servicing Standard. There can be no assurance that any directions provided by the Controlling Class will ultimately maximise the recovery on the Loans. Because the Controlling Class may represent a junior Class of Notes, the Controlling Class will have interests that may conflict with those of the other Noteholders in respect of a Specially Serviced Loan.

Neither the Delegate Primary Servicer nor the Delegate Special Servicer will have any obligation to identify the individual Noteholders of any Class that may be the Controlling Class from time to time, to inform them of their rights as such or to assist them in the appointment of an Operating Advisor. Should the Controlling Class fail to appoint an Operating Advisor (or should an Operating Advisor resign or be terminated and not be replaced), the relevant Controlling Class will be deemed to have waived any rights it may have *vis-à-vis* the Delegate Primary Servicer or the Delegate Special Servicer.

Neither the Controlling Class nor the Operating Advisor will have any liability to the Issuer, any Noteholder (of any Class), the Retention Holder or the Representative of the Noteholders or any other party for any action taken, or for refraining from taking any action in good faith or for any errors of judgment.

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

Conflicts of interest between affiliates of the Sole Arranger and Lead Manager that engage in the acquisition, development, operation, financing and disposition of commercial property, on one hand, and the Issuer, on the other hand, may arise because such affiliates will not be prohibited in any way from engaging in business activities similar to or competitive with those of the Borrowers or the Borrowers' Sponsors. The Sole Arranger and Lead Manager (and their respective affiliates) intend to continue to actively acquire, develop, operate, finance and dispose of property-related assets in the ordinary course of their businesses. During the course of their business activities, the Sole Arranger and Lead Manager (and their respective affiliates) may provide liquidity facility and swap counterparty services or acquire, own or sell properties or finance loans secured by properties which are in the same markets as the Loan Portfolio. In such a case, the interests of the Sole Arranger and Lead Manager (and their respective affiliates) may differ from and compete with the interests

of the Issuer, and decisions made with respect to such assets may adversely affect the amount and timing of distributions with respect to the Notes. In addition, the Sole Arranger and Lead Manager (and their respective affiliates) may have business, lending or other relationships or equity or other investments as a result of which conflicts could arise between the interests of the Issuer and the interests of the Sole Arranger and Lead Manager (and their respective affiliates) as applicable.

Change of Counterparties

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

These criteria may include requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable to the Issuer as those agreed with the original party pursuant to the relevant Issuer Transaction Document and the cost to the Issuer may therefore increase. This may reduce amounts available to the Issuer to make payments of interest on the Notes. Furthermore, it may not be possible to identify an entity who satisfies the criteria with the requisite rating which will agree to act as a replacement entity at all.

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

Ratings of the Notes

The ratings assigned to the Notes (other than the Class X Detachable Coupon, which is not rated) by the Rating Agencies, in each case, are subject to the Receivables, the Issuer Security, the Properties and other relevant structural features of the Securitisation, including, among other things, the short-term and the long term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, the Issuer Account Bank and each Hedge Counterparty and such ratings reflect only the views of the Rating Agencies. A rating does not represent any assessment of the yield to maturity that a Noteholder may experience or the possibility that holders of the Notes may not recover their initial investments if unscheduled receipts of principal result from a prepayment, a default and acceleration. The ratings assigned by DBRS address the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations relating to the Notes in accordance with the terms under which the Notes have been issued. The ratings assigned by Fitch address the likelihood of timely payment of interest of the Notes on each Note Payment Date (other than after the Expected Maturity Date, any Note Premium Amount) and the ultimate repayment of principal on the Final Maturity Date. The Rating Agencies do not consider payment of Note Premium Amounts in assigning the ratings to the Notes. The ratings do not address the likelihood of payment of the Note Premium Amount. There can be no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any or all of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgment of the Rating Agencies, circumstances so warrant. A downgrade, withdrawal or qualification of any of the ratings of the parties mentioned above may impact upon the ratings of the Notes.

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

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

Credit rating agencies other than the Rating Agencies could seek to rate the Notes without having been requested to do so by the Issuer. If such unsolicited ratings are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Notes. Although unsolicited ratings may be issued by any statistical rating organisation, a statistical rating organisation might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback to the Issuer. Unless the context otherwise requires, any references to ratings or rating in this Offering Circular are to ratings assigned by the specified Rating Agencies only.

Rating Agencies' Confirmation

No assurance can be given that the Rating Agencies will provide any confirmation of the then current ratings if requested and there is no obligation on the Rating Agencies to do so. In addition, depending on the timing of the delivery of the request and any information needed to be provided, it may be the case that the Rating Agencies cannot provide a confirmation in the time available and, in any case, the Rating Agencies will not be responsible for the consequences thereof. However, if a confirmation is provided, it should be noted that a Rating Agency's decision to confirm a particular rating may be made on the basis of a variety of factors. In particular, the Noteholders should be aware that the Rating Agencies owe no duties whatsoever to any parties to the Securitisation (including the Noteholders) in providing any confirmation of ratings. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of the Borrowers. In addition, it should be noted that any confirmation of ratings (a) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Notes (or the Notes of a particular Class) (b) does not address whether any relevant event, matter or circumstance is permitted by the Issuer Transaction Documents and (c) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Noteholders or the Other Issuer Secured Creditors.

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

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

Modifications to the Issuer Transaction Documents

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

The Representative of the Noteholders will (except in limited circumstances), without seeking any further consent or sanction of any of the Noteholders or any Other Issuer Secured Creditors and irrespective of whether such modifications are or may be materially prejudicial to the interests of the Noteholders or any other Issuer Secured Creditor concur with the Issuer, in making the proposed modifications to the Conditions and/or the other Issuer Transaction Documents. There can be no assurance that such modifications would not increase the costs of the Issuer or reduce the returns to Noteholders.

The Issuer will not affect any amendment to the Cash Allocation, Management and Payments Agreement or the Master Servicing Agreement without the consent of the Liquidity Facility Provider who will use best efforts to respond promptly to any request for its consent and its consent may not be unreasonably withheld).

Modifications and Waivers without Noteholder Consent

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

(a) to any modification (except a Basic Terms Modification) of the Conditions or any other Issuer Transaction Documents which, in the opinion of the Representative of the Noteholders, is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes; or

(b) to any modification of the Conditions or any of the Issuer Transaction Documents which, in the opinion of the Representative of the Noteholders, is (a) to correct a manifest error; or (b) to comply with mandatory provision of law; or (c) of a formal, minor or technical nature.

The Representative of the Noteholders may also, without the consent or sanction of the Noteholders, from time to time waive any breach or proposed breach of, and give any authorisation or consent (other than a Consent to Modification) required pursuant to, any provisions of the Conditions or of any other Issuer Transaction Documents, or declare that any Note Event of Default shall not be considered as such. Such right is exercisable by the Representative of the Noteholders only if (and in so far as) in its opinion the interests of the Noteholders of the holders of the Most Senior Class of Notes are not materially prejudiced.

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

Subject to certain notification obligations, the Sole Arranger has the right to direct the Issuer to amend the Note Payment Dates to a day falling no later than 7 calendar days after that of the original Note Payment Dates, i.e., up to the 25 February, 25 May, 25 August and 25 November in each year (or if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day). Any such change shall affect all Note Payment Dates falling on or after it becomes effective. No consent by the Noteholders or by the Representative of the Noteholders shall be required in order to make the above change. There can be no assurance that each Noteholder concurs with any such modification by the Sole Arranger.

Risks Relating to the Rights of Noteholders, Extraordinary Resolutions and Noteholder Meetings

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

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

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

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

Prospective investors (and particularly those considering investing in more junior Classes of Notes) should, therefore, pay particular attention to the terms referred to above when considering whether or not to invest in the Notes as their rights may differ from those available to them under comparable securitisations. Class X Detachable Coupon Holders do not have voting or consent rights other than in respect of the Class X Entrenched Rights (see further "*Exhibit to the Terms and Conditions of the Notes—Rules of the Organisation of the Noteholders*").

Rights Available to Noteholders of Different Classes

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

Prospective investors in more junior Classes of Notes should, therefore, be aware that conflicts with more senior Classes of Notes will be resolved in favour of the more senior Classes of Notes. In addition, save as set out in the Rules, The Class X Detachable Coupon Holder will not be entitled to vote in respect of any resolution of the Noteholders and will not be counted in or towards any required majority.

Risks Relating to Noteholder Meetings

A meeting of the Noteholders may be held on 14 clear days' notice. The requisite quorum for a meeting to consider Ordinary Resolutions is one or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing at least 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes.

The quorum for considering (i) an Extraordinary Resolution not effecting Basic Terms Modification or not concerning Class X Entrenched Rights requires one or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing 50.1 per cent. of the Principal Amount Outstanding of the relevant Class of Notes; (ii) an Extraordinary Resolution effecting Basic Terms Modification (other than a resolution relating to Class X Entrenched Rights) requires one or more persons holding Notes, or representing Noteholders of that Class or those Classes, representing 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes.

An adjourned meeting of the Noteholders may be held on seven clear days' notice. The requisite quorum for such a meeting is (i) in respect of a Basic Terms Modification (other than a resolution relating to Class X Entrenched Rights), one or more persons holding Notes or representing Noteholders of that Class or those Classes, representing 33.33 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes, and (ii) in respect of any other matter (other than a resolution relating to Class X Entrenched Rights), one or more persons actually present at the meeting holding Notes or representing Noteholders of that Class or those Classes.

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

Class X Entrenched Rights

Any modification of the Class X Interest Amount, the Relevant Margin or the Administrative Fees definitions or ability of the Delegate Primary Servicer or Delegate Special Servicer to reduce the interest rate on the Loans at any time prior to the Loan Maturity Date (other than an automatic reduction to the interest rate to the maximum admissible interest rate permitted under the Italian Usury Law) as well as any modification constituting a Basic Term Modification will require the prior written consent of the Class X Detachable Coupon Holders.

There can be no assurance that the Class X Detachable Coupon Holders will provide consent to any such modification in a timely manner or at all. The Class X Detachable Coupon Holders may act solely in the interests of themselves and do not have any duties to any other Noteholders (See "*Rule 6.3 of Exhibit to the Terms and Conditions of the Notes—Rules of the Organisation of the Noteholders of the Issuer*".

Risks Relating to Negative Consent of Noteholders

An Extraordinary Resolution (other than an Extraordinary Resolution relating to a (i) Basic Terms Modification, (ii) the waiver of any Note Event of Default, (iii) the acceleration of the Notes, (iv) the enforcement of the Issuer Security, (v) a Resolution relating to the Class X Entrenched Rights) or an Ordinary Resolution may be passed by the Negative Consent of the relevant Noteholders i.e. without any Noteholders having voted in favour of such resolution as long as holders in respect of a sufficient principal amount of Notes have not voted against such resolution.

An Extraordinary Resolution or an Ordinary Resolution, as applicable will be deemed to have been passed by a Class of Notes unless, within 30 days of the requisite notice being given by the Issuer or the Representative of the Noteholders to such Class of Noteholders (in accordance with the provisions of Rule 11 (*Convening of Meeting*): (i) in the case of an Extraordinary Resolution, the holders of 25 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes or the Notes of such Class or (ii) in the case of an Ordinary Resolution, the holders of 50 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes or the Notes of such Class, inform the Representative of the Noteholders in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within 30 days of the date of the relevant notice. Therefore, it is possible that an Extraordinary Resolution could be deemed to be passed without the vote of any Noteholders or even if holders of up to 24.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes objected to it and it is possible that an Ordinary Resolution could be deemed to be passed without the vote of any Noteholders or even if holders of up to 49.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes objected to it.

Other Issuer Secured Creditors may Purchase Notes

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

Absence of Secondary Market; Limited Liquidity

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

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

Market Volatility can Adversely Affect the Value of CMBS

The Properties consist of malls and hypermarkets, as for the Globe Loan Agreement, offices, manufacturing premises and telephone exchanges as for the Calvino Loan Agreement and factory outlets centres as for the Fashion District Loan Agreement. All the Properties are located in Italy and are let or will be let to tenants who occupy or will occupy such Properties. Accordingly, the Notes will be affected by market trends which affect commercial mortgage-backed securities ("**CMBS**") in general.

A downturn in the real estate market in Italy may cause declines in income from, or of the value of, commercial real estate, which would likely have an adverse effect on CMBS that are backed by mortgages on such commercial real estate. There can be no assurance that any disruption in the commercial real estate market in Italy or in Europe generally will not cause a dislocation in the CMBS market or will not cause the Loan Portfolio to decline in value.

The global economy recently experienced a significant recession, as well as a severe, ongoing disruption in the credit markets, including the general absence of investor demand for and purchases of CMBS and other asset-backed securities and structured financial products. While the European economy may technically be coming out of the recession, any recovery could be fragile and may not be sustainable for any specific period of time, and could slip into an even more significant recession.

The ability of the Borrowers to make payments when due on the Loans will depend on the rental value and occupancy rates of the Properties which are also subject to local economic factors. Any economic downturn may adversely affect the financial resources of the Borrowers and may result in the inability of the Borrowers to

make principal and interest payments on, or refinance, the Loans when due. In the event of default by one or all of the Borrowers under a Loan, the Issuer may suffer a partial or total loss with respect to that Loan. Increased levels of delinquency or loss on the Loan Portfolio would have an adverse effect on the payments of principal and interest received by holders of the Notes.

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

Risks arising from the Sovereign Debt Crisis

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

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

The Volatile Economy and Credit Crisis may Increase Loan Defaults and Affect the Value and Liquidity of the Notes

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

The lack of credit liquidity, decreases in both the sale and rental value of commercial properties, lower occupancy rates and higher lending rates have prevented many commercial mortgage borrowers from refinancing their loans. These circumstances have increased delinquency and default rates of securitised commercial mortgage loans. In addition, declines in real estate values have resulted in reduced borrower equity, hindering the ability of borrowers to refinance in an environment of increasingly restrictive lending standards and giving them less incentive to cure delinquencies and avoid enforcement. Higher loan-to-value ratios are likely to result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realised had property values remained the same or continued to increase. Defaults, delinquencies and losses have further decreased property values, thereby resulting in additional defaults by commercial mortgage borrowers, further credit constraints, further declines in property values and further adverse effects on the perception of the value of CMBS.

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

Investors should consider that general conditions in the areas where the Properties are located may adversely affect the performance of the Loans and accordingly the performance of the Notes and the general

availability of commercial real estate financing will directly affect the ability of the Borrowers to repay the Loans on maturity. In addition, in connection with all the circumstances described above, investors should be aware in particular that:

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

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

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

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

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

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

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

Interest Rate Risk

Pursuant to the relevant Loan Documents, the Globe Hedging Agreement and the Fashion District Hedging Agreement only need to protect a minimum of 95 per cent. of the aggregate principal amount outstanding on the relevant utilisation date.

In certain circumstances one or more of the Loan Hedging Agreements may be terminated and a Borrower may be unable to find a suitable replacement Hedge Counterparty. Should a Hedge Document be terminated or should a Hedge Counterparty otherwise fail to provide a Borrower with all amounts owing to it on any payment

date under the relevant Hedge Document, then such Borrower may, and particularly during a period of high or volatile EURIBOR, have insufficient funds available to it to make payments of interest due under each Loan Agreement.

In the event of the insolvency of a Hedge Counterparty a Borrower will be treated as an unsecured creditor of such Hedge Counterparty.

To mitigate the risks posed by a deterioration in the credit rating of a particular Hedge Counterparty, under the terms of the relevant Hedge Document, in the event that the Hedge Counterparty fails to meet the required rating set out in such Hedge Document, the Hedge Counterparty will, in accordance with the terms of such Hedge Document, be required to take certain remedial measures within the time frame stipulated in such Hedge Document and at its own cost. Following such a downgrade, the relevant Hedge Counterparty will be obliged to, within the applicable grace period, either (i) transfer an amount of collateral equal to 100 per cent. of the mark-to-market of the relevant transaction, or (ii) obtain a replacement counterparty that meets the required rating set out in the relevant Hedge Document. A failure by the relevant Hedge Counterparty to take one of the remedial actions specified above within the time limit specified above shall constitute an Additional Termination Event (as defined in the relevant Hedge Document) with the relevant Hedge Counterparty as the sole Affected Party (as defined in the relevant Hedge Document).

No assurance can be given that, at the time that the relevant Hedge Counterparty is required to comply with the obligations specified above, sufficient collateral will be available to a Hedge Counterparty or that another entity with the required rating will be available or willing to become a replacement swap provider.

The transactions entered into under the Loan Hedging Agreements relating to the Globe Loan are scheduled to terminate on 15 February 2020. The transaction entered into under the Loan Hedging Agreements relating to the Fashion Direct Loan is scheduled to terminate on 18 November 2019. The transaction entered into under the Loan Hedging Agreements relating to the Calvino Loan is scheduled to terminate on 7 February 2018. If the Loans are not repaid on the Loan Maturity Date or, in the case of the Calvino Loan, by 7 February 2018, interest rate fluctuation risk will be unhedged.

Basis Swap Risks

The interest rate applicable to each Loan is based on Loan EURIBOR, as determined 2 Loan Business Days prior to the first day of each Loan Interest Period. The interest rate applicable to the Notes is based on Note EURIBOR, as determined 2 Business Days prior to the first day of each Note Payment Date. There may be differences between the amounts of Loan EURIBOR received by the Issuer under the Loans and the amounts of Note EURIBOR it is required to pay on the Notes, due to differences in how Loan EURIBOR and Note EURIBOR may be determined and the dates on which they are determined. Further, each Note Payment Date will generally fall three days after the corresponding Globe Loan Payment Date and Fashion District Payment Date and 11 days after the corresponding Calvino Payment Date, subject to adjustment for Business Days, potentially resulting in differences in duration of accrual periods and consequently differences in the amounts of Loan EURIBOR received by the Issuer under the Loans and the amounts of Note EURIBOR it is required to pay on the Notes. The Sole Arranger has the right to direct the Issuer to amend the Note Payment Dates to a day falling no later than 7 calendar days after that of the original Note Payment Dates, i.e. up to the 25 February, 25 May, 25 August and 25 November in each year. In the event the Sole Arranger exercises such right, the number of days elapsing from the Loan Payment Dates to the Note Payment Dates will increase. The Issuer will be exposed to the risk of mismatches between the basis for calculating Loan EURIBOR and Note EURIBOR, and therefore may not have sufficient amounts available to pay any amounts due in respect of the Notes.

Availability of Liquidity Facility

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

Interest Drawings can be made to fund interest payments only in respect of the then Most Senior Class of Notes.

The Liquidity Facility cannot be drawn to cover shortfalls in funds available to the Issuer to pay amounts in respect of principal, Note Premium Amount, amounts payable on the Class X Detachable Coupon or interest on Notes other than the then Most Senior Class of Notes. Following the earliest to occur between (i) a Note Event of Default, (ii) the redemption in full of the Notes and (iii) a Liquidity Facility Event of Default, then no more Liquidity Drawings can be made. The amount available for drawdown under the Liquidity Facility as of the Closing Date is €19,000,000 and thereafter will decrease as the Principal Amount Outstanding of the Notes decreases, as set out under section entitled "*The Liquidity Facility Agreement*" below.

See further the section entitled "*The Liquidity Facility Agreement*" for further details concerning the availability of the Liquidity Facility.

Considerations Relating to Tax, Regulatory and Legal Issues

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under the EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), Member States must provide to the tax authorities of another Member State details of payments of interest (or similar income) by a person within the jurisdiction of the first Member State paid (or deemed to be paid) to an individual (or certain other types of person) resident in that other Member State. However, for a transitional period, Austria is and Luxembourg are instead required (unless they it elects otherwise during that period, which Luxembourg has with effect from 1 January 2015) required to operate a withholding system in relation to such payments, the rate of withholding rising over time to 35 per cent. The ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. However, during the transitional period, withholding will not apply under the directive to a payment if the beneficial owner of that payment authorises exchange of information instead.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Investors should note that, in accordance with the law of 25 November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the EU Savings Directive with effect as from 1 January 2015.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent, the Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive

On 24 March 2014, the Council of the European Union formally adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above in order to allow Member States to better contrast tax evasion and tax fraud. The Member States are required to adopt the national legislation necessary to comply with the Amending Directive from 1 January 2016. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

Italy has implemented the directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree 84/2005**"). Under Decree 84/2005, subject to a number of conditions being met, in the case of interest (including interest accrued on the Notes at the time of their disposal) paid since 1 July 2005 to individuals that qualify as

beneficial owners of the interest and are resident for tax purposes in another Member State, the Paying Agent will report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owners. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), entities whose profits are included in business income taxable under general arrangements for business taxation and, in certain circumstance, UCITS recognised in accordance with Directive 2009/65/EC.

U.S. Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "*foreign passthru payments*" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has paid the clearing systems, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Prospective investors should refer to the section entitled "*Foreign Account Tax Compliance Act*".

A number of EU and non-EU countries, including Italy, have signed the intergovernmental agreements (the "**IGAs**") with the United States in order to improve international tax compliance and to implement FATCA. The IGAs allow for the automatic exchange of information between tax authorities of the signing Country and the Internal Revenue Service (the "**IRS**"). The automatic exchange of information under the IGAs will take place on the basis of reciprocity, and will include accounts held in the United States by persons resident in Italy and those held in Italy from U.S. citizens and residents. However, as of today IGA has not been implemented in Italy.

*The Proposed Financial Transactions Tax ("**FTT**")*

On 14 February 2013, the European Commission has published a proposal for a Directive for a common FTT (the "**proposed FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The FTT would impose a charge at generally not less than 0.1 per cent. of the sale price on such transactions. As a consequence, transactions in the Notes would be subject to higher costs and the liquidity of the market for the Notes may be diminished.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain deadlines in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

At this stage, it is too early to say whether the FTT proposals will be adopted and in what form. However, if the FTT is adopted based on the current proposals, then it may operate in a manner giving rise to tax liabilities for the Issuer with respect to certain transactions, including concluding swap transactions and/or purchases or

sales of securities (such as authorised investments). Any such liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and the Other Issuer Secured Creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated the intention of participating countries to implement the FTT progressively, focusing initially on the taxation of shares and certain derivatives. The first steps would be implemented at the latest on 1 January 2016.

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

Regulation Affecting Investors in Securitisations

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Lead Manager nor any other party to the Issuer Transaction Documents nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

In particular, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and this uncertainty is increased by certain legislative developments. In particular, in the context of the requirements which apply in respect of EU regulated credit institution investors, investment firms and authorised alternative investment fund managers, the corresponding interpretation materials (to be made in the form of technical standards) have not yet been finalised. No assurance can be provided that such final materials will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Originator to retain a material net economic interest in the Securitisation and with respect to the information to be made available by the Issuer or another relevant party, please see the statements set out in the sections entitled "*Risk Retention Requirements*" and "*Subscription, Sale and Selling Restrictions*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Lead Manager or any

other Issuer Secured Creditor makes any representation that the information described above is sufficient in all circumstances for such purposes.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In addition, implementation of and/or changes to the Basel II framework which is implemented into European law via the capital requirement directives may affect the capital requirements and/or the liquidity of the Notes.

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

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

It should also be noted that the Basel Committee on Banking Supervision has approved significant changes to the Basel II framework in 2011 (such changes being commonly referred to as "**Basel III**"), including new capital and a minimum leverage ratio for credit institutions. In particular, the changes include among other things, new requirements for the capital base held by credit institutions, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). It is intended that member countries will implement the new capital standards as soon as possible, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general, and the European Commission's corresponding proposals to implement the changes (through amendments to the original capital requirements directives ("**CRD**") pursuant to Directive 2013/36/EU ("**CRD IV**") and the Capital Requirements Regulation ("**CRR**") were published in July 2013. CRD IV and CRR entered into force on 1 January 2014. The changes approved by the Basel Committee may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

It is reasonable to expect further amendments to the Basel framework and the CRD in the near and medium-term future, and there is no assurance that the regulatory capital treatment of the Notes for investors will not be affected by any future change to the Basel framework or the CRD. In particular, in December 2012 the Basel Committee has issued a consultative document regarding "*Revisions of the Basel Securitisation Framework*". The Basel Committee has not yet published rules to give effect to the proposed changes and is currently seeking industry feedback on some key elements of the proposed changes. Further, the Basel Committee will be conducting a quantitative impact study of the proposals prior to deciding on definitive revisions to the framework. Thus, at this stage, it cannot be predicted which changes to the Basel framework will be implemented, and whether and when such changes would be implemented into EU and national law.

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

CRA Regulation

On 31 May 2013, the Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending the CRA Regulation was published and became effective on the twentieth day following publication.

CRA Regulation, amended as mentioned above, provides for certain additional disclosure requirements for structured finance transactions, which would be applicable to the Securitisation. Such disclosures will need to be made via a website to be set up by ESMA. As yet, this website has not been established. The scope and manner of such disclosure required by CRA Regulation is subject to the regulatory technical standards published by ESMA (the "**RTS**").

The RTS was published by ESMA and adopted by the European Commission on 30 September 2014 and will become effective by the end of January 2015 (the "**RTS Effective Date**"). While the disclosure obligations of CRA will not take effect until 1 January 2017, any structured finance instrument issued after the RTS Effective Date, and which are still outstanding on 1 January 2017, will be subject to these disclosure requirements. Since the Expected Maturity Date for the Notes is in February 2020, it is expected that the RTS will apply to the Securitisation.

While the obligation to comply with the reporting requirements under the RTS exists with the Issuer and the Originator, the penalties for non-compliance with the CRA Regulation appear to apply to the Rating Agencies. Therefore, if for any reason the Securitisation is not in compliance with the reporting requirements of the RTS, there can be no assurance that the Rating Agencies will not withdraw their ratings for the Notes. Investors should consult their legal advisors as to the applicability of CRA Regulation and any consequences of non-compliance in respect of their investment in the Notes.

European Market Infrastructure Regulation

European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation ("**EMIR**") entered into force on 16 August 2012. EMIR provides for certain OTC derivative contracts to be submitted to central clearing and imposes, *inter alia*, margin posting and other risk mitigation techniques, reporting and record keeping requirements. EMIR is a Level 1 regulation and requires secondary rules for full implementation of all elements. Some (but not all) of these secondary rules have been finalised and certain requirements under EMIR are now in effect. The clearing requirements and the margin requirements are expected to be phased in from 2015.

Aspects of EMIR remain unclear. The Borrowers and their respective Hedge Counterparties are required to comply, *inter alia*, with certain "risk mitigation" obligations under EMIR which may give rise to additional costs and expenses for the Issuer, which may in turn reduce amounts available to make payments with respect to the Notes.

Changes of Law

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

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

Considerations Relating to the Loans and the Loan Transaction Security

Prepayment of the Loans

A Borrower may be obliged, in certain circumstances, to prepay a Loan in whole or in part prior to the Loan Maturity Date. These circumstances include, *inter alia*, certain changes in the composition of the shareholders, or, in respect to the Globe Loan, certain other events of change of control (as further described under section entitled "*The Loan Portfolio and the Properties—The Globe Loan Summary—Prepayment on Change of Control*"), the receipt of insurance proceeds in respect of certain insurance claims, the receipt of proceeds of compensation and damages for the compulsory purchase or other disturbances affecting a Property, the receipt of proceeds of a claim against a vendor of a Property or the provider of a Property report or any other due diligence reports in respect of a Property or, in respect of the Calvino Loan, a change of the appointed SGR or a change of control in the SGR's shareholding and where it would be unlawful for the lender to perform any of its obligations as contemplated by the Loan Agreements or to fund, issue or maintain its share in a Loan. Such circumstances are more particularly set out in the loan summaries contained in the section entitled "*The Loan*

Portfolio and Properties". These events may be beyond the control of the Borrowers and are beyond the control of the Issuer. Any such prepayment may result in the Notes being prepaid earlier than anticipated.

Compounding of Interest (Anatocismo)

Pursuant to article 1283 of the Civil Code, interests accrued on a monetary claim or receivable may accrue further interest after a period of not less than 6 months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. In addition to the above, article 1283 of the Civil Code allows interest to accrue on interest, only pursuant to recognised customary practices (*usi*). With respect to bank account agreements, banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a 3 monthly basis on the grounds that such practice could be characterised as a customary rule (*uso normativo*). The practice to capitalise accrued interest had also been followed in relation to loan agreements with respect to defaulted loan instalments that included an interest component. Italian courts have sanctioned the above mentioned practices holding that they shall not qualify as customary rule (*uso normativo*) and such practice has been re-characterised as a customary clause (*uso negoziale*) and has been deemed as such not to enable banks to derogate from the aforesaid provisions of the Civil Code.

With respect to banking transactions, article 25 of Italian legislative decree number 342 of 4 August 1999 amended article 120 of the Banking Act entrusting the Interministerial Committee of Credit and Savings ("**CICR**") with the task of determining the methods and criteria for the accrual of interest on accrued interest. In accordance with this provision, on 9 February 2000, CICR has adopted a resolution (the "**Resolution**") which provides, *inter alia* and with reference to financing transactions, that where the repayment of the loan is to occur through a scheduled amortization plan, in case of failure to pay on the relevant scheduled date, default interest may accrue, if contractually provided, on the overall unpaid amount (including interest already accrued and principal).

Article 120, second paragraph, of the Banking Act has been recently amended by law number 147 of 27 December 2013 (which became effective on 1 January 2014) and currently provides that, with respect to banking transactions, CICR establishes methods and criteria for the accrual of interest, and shall provide, in any case, "that (a) no interest shall accrue on interest periodically capitalised (b) in any subsequent capitalization operation interest can only accrue on principal amounts". As at the date of this Offering Circular, no new resolution has been enacted by the CICR and given the ambiguity of the new provisions of article 120, second paragraph, of the Banking Act different approaches have been taken by the Italian Scholars. In particular: (i) under a strict interpretation of the above provision, as from the date on which the amendments to article120, second paragraph have become effective, banking transactions can no longer provide for capitalisation and/or compound of interest, and (ii) based on a different interpretation, the new provisions of article 120, second paragraph is not immediately applicable and, pending the enactment of a new CICR resolution, the Resolution still applies to banking transactions.

As a consequence thereof, if a Borrower challenges before a court the applicability of provisions of the Loan Agreements providing for a capitalisation or accrual of interest on accrued interest – depending on which interpretation of the new article 120, second paragraph, the involved court will follow – the relevant Lender could be requested to pay back any amount determined in violation of the above law provision with a negative effect on the returns generated from the relevant Loan. In this regard, however, it is worth to be noted that the Fashion District Loan Agreement expressly provides that "*no interest under the Finance Documents shall accrue, capitalise or be payable to the extent such accrual, capitalization or payment would be contrary to any provision of Italian law (including article 1283 of the Civil Code and article 120*" of the Banking Act; such provision, thus, should in theory mitigate the risk of negative effect on the returns generated from the Fashion District Loan as above described.

Italian Usury Law

Italian law number 108 of 7 March 1996 (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates higher than the usury thresholds (the "**Usury Thresholds**") to be determined based on the average percentage rate of charge per annum (*tasso effettivo globale medio*) (the "**APR**") of the interest applied during the previous quarter by banks and other financial institutions, taking into account all fees, remuneration, costs and expenses (excluding only taxes and notary fees) connected with the credit agreements falling within the same type of homogeneous transaction (*categoria omogenea di operazioni*) as published on a quarterly basis pursuant to a decree of the Italian Ministry of Economy and Finance (the last such decree having been issued on 30 September 2014, and being valid until 31 December 2014).

Pursuant to article 1815 of the Civil Code, if the parties to a loan agreement agree upon interest rates which exceed the Usury Thresholds, the relevant clause is null and void and no interest is due by the debtor.

In this regard, on 29 December 2000, the Italian government issued law decree number 394 (converted into law by law number 24 of 28 February 2001) ("**Usury Law Decree**" and, together with the Usury Law, the "**Usury Regulations**"), which clarified certain uncertainty over the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed upon by the parties exceeded the Usury Thresholds applicable at the time the relevant loan agreement or such other credit facility was entered into or the interest rate was agreed upon.

Further to the amendments to the Usury Law introduced by article 8 paragraph 5 letter (d) of law decree number 70 of 13 May 2011 (converted into law by law number 106 of 12 July 2011) (the "**Decreto Sviluppo**") the calculation methods of the Usury Thresholds has been changed and such thresholds are equal to the aggregate of (a) 4 per cent. and (b) a percentage equal to 125 per cent. of the applicable APR, subject to a general cap equal to the aggregate of (a) 8 per cent., and (b) the applicable APR.

Notwithstanding the clarification given by the above mentioned Usury Law Decree, the Italian case law has stated that, in certain circumstances, the compliance of the applicable rate of interest with the Usury Thresholds is to be verified on an ongoing basis (and not only at the time on which the relevant loan agreement or such other credit facility was entered into or the interest rate was agreed upon). Further uncertainty as to the scope of the Usury Regulations is due to certain interpretation of certain case law pursuant to which also default interest are deemed to be subject to the general provisions of the Usury Regulations and, therefore, to the restrictions outlined above. In this latter respect, it is also disputed whether default interest exceeding the Usury Thresholds are sanctioned with the nullity of all the accrued interest or only, as certain courts stated, only of only default interest (or the part thereof in excess of the Usury Thresholds).

In order to mitigate the abovementioned risks related to interests contained into the Loan Agreements, the relevant parties have agreed and accepted that should the rate of interest applicable to the Borrower under a Loan (no distinction is made between contractual interests and default interests) exceed the maximum rate permitted by the Italian Usury Law, then the relevant interest rate will be automatically reduced to the maximum admissible interest rate pursuant to such legislation, for the period during which it is not possible to apply the interest rate as originally agreed in each Loan Agreement. Certain recent case law (most recently, Court of Naples, 9 January 2014) excluded a breach of Usury Regulations in the presence of the above provisions (so called "*clausola di salvaguardia*").

If such a reduction occurs, this would reduce the amount of interest payable by a Borrower under each Loan Agreement and will reduce the amount of Interest Available Funds received by the Issuer. Such reduction may cause an Interest Shortfall on the Notes and to the extent there are insufficient amounts available to be drawn under the Liquidity Facility, this may result in a shortfall in amounts paid under the Notes.

Refinancing Risk

The then outstanding amount of each Loan is to be repaid in full on the relevant Loan Maturity Date. Each Loan is expected to have a substantial remaining principal balance as at the Loan Maturity Date. However (i) the Fashion District Loan will be subject to a limited scheduled amortisation throughout its term, (ii) should the loan balance for the Calvino Loan be greater than the Calvino Target Loan Amount, a Calvino Cash Trap Event will occur and all excess amounts collected with respect to the Calvino Loan will be held in the Calvino Deposit Account. If the Calvino Cash Trap Event continues for more than two consecutive Loan Interest Periods, on the interest payment date following the second Loan Interest Period, the Calvino Cash Trap Amount shall be applied in prepayment of the Calvino Loan and (iii) the Globe Borrower will have to repay in equal instalments on each interest payment date the Globe Loan for an amount which reduces, in aggregate per annum, the outstanding Globe Loan by an amount equal to 1.50 per cent. of the amount originally borrowed, if the Globe Loan to Value on a Globe Test Date during the fourth year from the Globe utilisation date is above 55 per cent. For further information in relation to Loan amortisation see the loan summaries contained in the section entitled "*The Loan Portfolio and the Properties*".

The ability of each Borrower to repay its Loan on the relevant Loan Maturity Date will depend, among other things, upon its availability of sufficient cash or equity and upon its ability to find a lender willing to lend to that Borrower sufficient funds to enable repayment of its Loan. Such lenders will generally include banks and other financial institutions. The availability of funds in the credit market fluctuates and in recent years there has, at times, been an acute shortage of credit to refinance loans such as the Loans. In addition, the availability

of assets similar to the Properties, and competition for available credit, may have a significant adverse effect on the ability of potential purchasers to obtain financing for the acquisition of the Properties. There can be no assurance that each Borrower will be able to refinance its Loan or to sell its Property or Properties for an amount sufficient to enable it to repay its Loan prior to the Final Maturity Date.

If a Borrower cannot refinance its Loan, it may be forced, in unfavourable market conditions, into selling some or all of its Properties in order to repay the Loan. Failure by a Borrower to refinance its Loan or to sell its Properties on or prior to the Loan Maturity Date may result in that Borrower defaulting on such Loan and in its insolvency or compulsory liquidation. See also the sections entitled "*—Considerations Relating to the Properties*", "*Selected Aspects of Italian Law—Insolvency Proceedings*", "*Selected Aspects of Italian Law—Bankruptcy Proceeding (fallimento)*" and "*Selected Aspects of Italian Law—Court Supervised Pre-bankruptcy Composition with Creditors pursuant to Article 160 at seq. of the Bankruptcy Law (concordato preventivo)*" and "*Selected Aspects of Italian Law—Forced Liquidation of the C2 Investment Fund and the MOMA Fund*". In the event of such a default, insolvency or liquidation, the Noteholders, or the holders of certain Classes of Notes, may receive by way of principal repayment an amount lower than the then Principal Amount Outstanding on their Notes and the Issuer may be unable to pay in full interest due on the Notes.

Historical Financial Information

Historical financial information is included in this Offering Circular relating to the Properties. Such information has not been audited.

In general, such information may not be indicative of future results of operations.

The data which forms much of the basis for the disclosures in this Offering Circular was obtained by the Originator from the sponsors of the Borrowers. This information has not been audited by independent accounting firms, and has not been fully audited by the Originator for accuracy.

There may be variations between future operating results and the summary historical financial information included in this Offering Circular and such variations may be material and be caused by various factors. The Issuer does not intend, and undertakes no obligation, to update any of the unaudited summary historical financial information to reflect future operating results.

Risks Relating to Representations and Warranties of the Borrowers under the Loan Agreements

Representations and warranties given by each Borrower under each Loan Agreement are to some extent qualified by the actual knowledge of that Borrower. While protection provided by representations and warranties is limited to the extent that the Borrower is factually able to indemnify the recipient of such representations and warranties, representations and warranties which are qualified by actual knowledge limit that protection because the recipient would need to provide evidence of the Borrower's actual knowledge of the risk represented which might be difficult if not impossible to demonstrate successfully in practice.

See further "*The Loan Portfolio and Properties—Common Terms Relating to the Loans—Representations and Warranties*".

Limitation of Recoverability of Legal Fees in Enforcement

There can be no assurance that the Issuer will be able to recover legal fees incurred by it or by the Master Servicer, the Delegate Special Servicer or the Delegate Primary Servicer (as applicable) on its behalf, in connection with the enforcement of a Loan or Loan Transaction Security from a Borrower or other Loan Obligor, in particular, to the extent that such legal fees exceed the statutory limits provided by law. There can be no assurance that the legal fees relating to an enforcement of a Loan or Loan Transaction Security will fall within the limitation of what can be charged to a debtor under applicable law. Indeed, the legal fees incurred by a creditor in relation to, *inter alia*, an Italian enforcement proceeding may be charged to the enforced debtor only within the amount liquidated by the competent court, usually at the end of the enforcement proceeding. In liquidating such amount, the court (i) is not bound by the quantification of legal fees given by the creditor's legal advisor, and (ii) shall only comply with certain criteria (e.g., the quality of the rendered legal advice, the prominence and the difficulty of the procedure, etc.) and certain limitations (depending on the economic value of the enforced right) set forth under an ad hoc regulation whose last release (at the date of this Offering Circular) has been adopted pursuant to Ministerial decree number 55 of 10 April 2014.

Any amounts of legal fees in excess of such limitations could result in a shortfall to amounts that would otherwise be distributed on the Notes.

Corporate Benefit

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

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

Some of the securities (among witch mortgages and assignment of credits by way of security), granted by the Globe Borrowers are aimed at securing the repayment to the Originator of the whole Globe Loan (instead of the repayment of only the portion of the Globe Loan pertaining to each Globe Borrower, as better described in Section "*The Loan Portfolio and Properties—The Globe Loan Summary—Purpose of the Globe Loan*"). The existence of a "corporate benefit" might be disputed in relation with such securities and the Globe Borrower's directors might be considered liable *vis-à-vis* the relevant quotaholders and the relevant company for having implemented an action or made a decision without there being an adequate corporate benefit for the latter.

Direction and Co-ordination of the Companies by the Globe LuxCo 9, the Globe LuxCo 18 or the Globe LuxCo 20

The Globe Borrowers are subject to the direction and co-ordination powers of, respectively, the Globe LuxCo 9, as for the Globe Dima Borrower, the Globe LuxCo 18, as for the Globe Falcone Borrower and the Globe LuxCo 20, as for the Globe Palladio Immobiliare Borrower. As a consequence, decisions affecting any of the Globe Borrowers may be made by the relevant controlling company not for the benefit of the relevant Globe Borrower but rather for the global benefit of the controlling company, and any of the Globe Borrowers could implement policies and make decisions that are not beneficial for it under the direction and co-ordination powers of the respective controlling company. Under article 2497 of the Civil Code, if a company that is acting in its own interest, or in the interest of third parties, mismanages companies that are subject to its direction and co-ordination it shall be liable to the shareholders and creditors of such companies for the damages that ensue from such mismanagement, provided that liability is excluded if (i) the ensuing damage is fully eliminated through subsequent actions; or (ii) the damage is off-set by the global benefits deriving to the company from the continuing exercise of their direction and co-ordination powers.

Deed of Pledge over Bank Accounts

Under each of the deeds of pledge over bank accounts entered into in connection with the Globe Loan, the Calvino Loan and the Fashion District Loan the pledger must perfect the pledge (by way of an instrument bearing date certain at law showing the account balance) at fixed dates quarterly (in the case of the Globe Loan and the Calvino Loan) and semi-annually (in the case of the Fashion District Loan, it is not certain that sums credited to the bank accounts after the above formality has been carried out are effectively pledge. However, in the case of the Calvino Loan the above formalities must be carried out also upon a sum higher then Euro 500,000 being credited to the bank account.

Under the deed of pledge over bank accounts related to the Calvino Loan the enforcement of the security for a reason different from the occurrence of a failure to pay is conditional upon the termination of the Calvino Loan Agreement.

Sale Mandate

Pursuant to the Calvino Loan Agreement, in case of occurrence of a Calvino Sale Mandate Trigger Event, the Calvino Borrower shall execute a sale mandate concerning the Properties. In case of forced liquidation ("liquidazione coatta amministrativa") of the Calvino Borrower, the decision as to whether the mandate would remain effective or would be terminated would be vested upon the liquidator.

Considerations Relating to the Properties

Environmental Matters

As part of the due diligence carried out in connection with the purchase of the Properties and/or the shares of the relevant Borrowers, an environmental analysis has been performed on most of the Properties.

In the context of the environmental analysis, the lack of certain environmental permits and certain environmental risks have been identified in respect of e.g., contamination due to hydrocarbons and cadmium, waste and asbestos, materials containing man made vitreous fibres, water discharge and air emissions, underground and aboveground storage tanks with respect to certain Properties.

If a Borrower does not comply with its obligations to carry out remediation measures in part or in full (where necessary) and/or to obtain the relevant environmental permits (where necessary) and comply with the same and with applicable laws, such Borrower may, in certain circumstances, be responsible for the environmental liabilities existing within the Properties (also pursuant to the Italian legislative decree of 8 June 2001, number 231, in case such failure to comply leads to criminal sanctions for the subjects to whom the same failure has to be considered imputable pursuant to the applicable Italian law).

In particular:

(a) As far as pollution/potential pollution issues are concerned, Italian environmental legislation imposes liability for clean-up costs on the owner of land where the polluter cannot be found, even in case the owner/user of the land is not responsible for the pollution itself. Indeed, even if more than one person may have been responsible for the contamination, each person covered by the relevant environmental laws (including the owner of the land which is not responsible for the contamination) may be held responsible at least for the clean-up costs incurred by the public bodies performing the remediation activity; such public bodies' rights would take precedents over the relevant Mortgages. Also, the Borrower may be responsible for the presence in the building of certain materials or factors that can be dangerous for human health (e.g., asbestos, man made vitreous fibres, GHG, ODS, pathogens, electromagnetic fields, etc.). Therefore, liability for the environmental matters discovered at any of the Properties, including those already identified, may ultimately rest with the Borrower, at least as far as the clean-up costs are concerned;

(b) As to responsibility for obtaining the environmental permits required for the operation of each Property (e.g., water discharge permits, air emissions permit), as a general rule it ultimately rest with the person operating the relevant asset (i.e., the tenants). However, it cannot be excluded that in certain cases either the responsibility for the obtainment of said permits lays with the owner or the owner itself decides to file the application for the obtainment of the permit: in such cases, failure to comply with the applicable legislation and/or to comply with the terms of the permit and/or to apply for the renewal of the same may result in fines and pecuniary sanctions for the owner of the Property, as well as in the order of suspending the activity until the missing authorisations are obtained, as the case may be.

In addition, in cases of both pollution issues and failure to obtain the required environmental permits, third parties (including the tenants' employees working within the Properties) may sue the Borrower for damages and costs resulting from substances emanating from that site, and the presence of substances in the Properties could result in personal injury or similar claims by private claimants (including workers); also, in certain cases environmental damages may be claimed by the State.

Risks Relating to Permits and Licenses

The retail premises within the Properties are required to have valid and legitimate commercial licenses that authorise the operation of the full sales surface area in which retail activities are conducted, the lack of which may give rise to fines or sanctions (including the closure of the activity). Furthermore, the Properties are required to have a number of authorisations and permits such as certificates of fitness for use, building permits and fire prevention certificates, have to be used in compliance with the allowed uses and, in certain cases, have to comply with certain restrictions. In some cases, the Reports do not evidence compliance with all such licences, authorisations and permits or indicate that certain of these permits in relation to certain Properties have currently not yet been issued and, in some of these cases, a regularization process in relation thereto has been started but its outcomes are unknown. In other cases, the advisers have not been provided with all the documentation required in order to properly assess the existence/legitimacy of the building permits and/or of the commercial authorisations and other permits indicated above.

The lack of any of the required authorizations, licenses or permits, as well as the illegitimacy of said permits and the use of the building for uses that are not allowed, may give rise to fines, sanctions or even an order to stop / suspend operations or a demolition order, and works carried out in the lack of appropriate building titles may also impact, in most serious cases, on the possibility to transfer the ownership of the property or of part of the same. Moreover, the illegitimacy / lack of the building permits may negatively impact on the legitimacy of the commercial authorisations and of the other permits related to the building / to the activities carried out in the buildings in general. The presence of restrictions can, inter alia, limit the use / transfer of the property, as well as impose obtainment of additional authorisation in case of works to be carried out on the building.

Obligations arising from Municipal Agreements

Certain Properties were developed pursuant to agreements with the municipality in which they are respectively located, and these agreements impose certain obligations on each Borrower (e.g.: to complete certain works, to pay certain amounts or to grant to the municipality the use of certain land for the benefit of the local community, etc.), certain of which obligations have not yet been fulfilled.

Other Encumbrances

Certain Properties are subject to encumbrances such as easements, rights of use and other similar third parties' in rem rights. The Reports do not contain confirmation that all such encumbrances have been complied with. The liability for any breach of such obligations will rest with the Borrowers.

Calvino Missing Items and Calvino Updated Valuation

Pursuant to the Calvino Loan Agreement, in case not all the Calvino Missing Items are not collected, solved and/or cured, as the case may be, by 7 August 2015 and the Calvino Updated Valuation to be delivered on the Test Date falling on 7 August 2015 shows a Market Value not able to allow the compliance with the Calvino Loan to Value Ratio at such Loan Payment Date, the Calvino Borrower shall prepay, within 10 Business Days, the Calvino Loan up to an amount necessary to comply with the applicable Calvino Loan to Value Ratio.

There is no guarantee that the Calvino Borrower will have sufficient funds to meet those payments.

Risks Relating to Retail Properties

The Globe Loan and the Fashion District Loan, which collectively represent 66.3 per cent. of the Loan Portfolio based upon their outstanding principal balances as of the Closing Date, are secured by retail properties. The value of retail properties within the Properties is significantly affected by the quality of the tenants as well as by more general commercial property factors, such as location and market demographics. In addition to location, competition from other retail spaces or the construction of new retail spaces, retail properties face competition from other forms of retailing outside a given property market (such as mail order and catalogue selling, discount shopping centres and selling through the internet), which may reduce retailers' need for space at a given shopping centre. The continued growth of these alternative forms of retailing could adversely affect the demand for space and, therefore, the rents collectable from retail properties. Other key factors affecting the value of retail properties include the quality of management of the properties, the network effects of occupancy levels in attracting consumers, the attractiveness of the properties and the surrounding neighbourhood to tenants and their customers, the public perception of the safety in the neighbourhood, access to public transportation and major roads and the need to make major repairs or improvements to satisfy major tenants. In addition, the success of a shopping centre is dependent on, among other things, achieving the correct mix of stores so that an attractive range of retail outlets is available to potential customers. The presence or absence of an anchor store in a shopping centre can be particularly important in this, because anchor stores play a key role in generating customer traffic and making a centre desirable for other tenants. If the current anchor tenant ceases to occupy retail space in the shopping centres and no suitable replacement anchor tenant is found, there is no guarantee that such replacement anchor tenant may be identified in timely manner or that if identified, it will have the same appeal among customers as the former anchor store.

Each of the foregoing circumstances and events may, individually or in the aggregate, adversely affect the income from and market value of the Properties and thereby increase the possibility that the Borrowers will be unable to meet its obligations under the Loans.

Under some of the Globe lease agreements and under the majority of the Fashion District lease agreements, the tenant has been granted with break option rights, that in certain cases can be exercised at will and in other

cases are conditional upon the occurrence of pre-determined events, which may be exercised prior to the relevant Loan Maturity Date. The exercise of any such break option rights by the tenants, in addition to potentially resulting in loss of rent, may also negatively affect the occupancy levels, in turn affecting the network effect mentioned above.

In particular:

(a) the Globe Lease Agreement with H&M Hennes & Mauritz Italia S.p.A., besides the break option right at will, provides for a withdrawal right which may be exercised by the lessee at any time and with immediate effect should one of the following events last longer than 6 consecutive months:

(i) in case the Vicenza Shopping Center is generally less appealing in terms of commodity-related offer and with regard to the operators carrying out commercial activities therein as identified and listed in the relevant annex to the business lease agreement;

(ii) in case at least the 80 per cent. of the overall gross lettable area of the Vicenza Shopping Center opened to the public at the date of the business lease is not leased; and

(iii) in case the units adjoining the premises comprising the leased business branch are not leased to leading operators carrying out retail sale activities of clothing, shoes and accessories;

(b) the Fashion District lease agreements with Nike Retail B.V. (regarding each of the Mantova Shopping Center and the Molfetta Shopping Center) set forth provisions concerning the occupancy rate of, respectively, the Mantova Shopping Center and the Molfetta Shopping Center:

(i) the lease agreement concerning the Mantova Shopping Center provides, inter alia, that in the event the gross leased area of the Mantova Shopping Center is lower than: (1) 70 per cent., FD Mantova shall pay penalties equal to 50 per cent. of the rent; (2) lower than 50 per cent., FD Mantova shall pay penalties equal to 75 per cent. of the rent; and (3) lower than 40 per cent., the FD Mantova shall pay penalties equal to 100 per cent. of the rent (i.e. Nike will pay no rent). According to the Legal DD Memorandum, as of 30 July 2014, the occupancy rate of the Mantova Shopping Center was approximately 90 per cent.;

(ii) the business lease agreement referring to the Molfetta Shopping Center also provides that if the gross leased area of the Molfetta Shopping Center is lower than 85 per cent., Nike has a right to not to pay rent under the agreement if such condition lasts for more than 180 consecutive days from 1 April 2014. Considering that, as indicated below, the occupancy rate of the Molfetta Shopping Center as of 30 July 2014 was approximately 73 per cent., there is no certainty that such occupancy rate will increase at least up to 85 per cent.;

(iii) the business lease agreement referring to the Molfetta Shopping Center also provides that if the gross leased area of the Molfetta Shopping Center is lower than 85 per cent., Nike has a right to terminate the agreement by giving a four-month prior written notice. Such termination clause will apply starting from 2018. Considering that, as indicated above, the occupancy rate of the Molfetta Shopping Center as of 30 July 2014 was approximately 73 per cent., there is no certainty that such occupancy rate will increase at least up to 85 per cent. within 2018.

With respect to the Calvino Property located in Rome, one of the tenants is a public administration (ANAS S.p.A.), the relevant rent is approximately equal to €2.6 million. According to Law Decree no. 120/2013 (aimed at reducing the public administration management costs), any public administration has been vested with the right to exercise - by 31 July 2014 - a special withdrawal right by serving the relevant landlord with a 180-day prior written notice. No evidence was provided of ANAS S.p.A. failing to exercise such withdrawal right. In the event ANAS S.p.A. exercised its withdrawal right, the rental income relating to the Calvino Property would be adversely affected.

In addition, certain Globe lease agreements have come to expiration a few days before the Closing Date and, to date, there is no certainty that such Lease Agreements were renewed.

Risk Relating to Office Properties

The Calvino Loan, which collectively represent 33.7 per cent. of the Loan Portfolio based upon its outstanding principal balance as of the Closing Date, is secured primarily by office properties.

The income from and market value of an office property, and a borrower's ability to meet its obligations under a loan secured by an office property, are subject to a number of risks. In particular, a given property's age, condition, design, access to transportation and ability to offer certain amenities to tenants, including sophisticated building systems (such as fibreoptic cables, satellite communications or other base building technological features) all affect the ability of such a property to compete against other office properties in the area in attracting and retaining tenants. Other important factors that affect the ability of an office property to attract or retain tenants include the quality of a building's existing tenants, the quality of the building's property manager, the attractiveness of the building and the surrounding area to prospective tenants and their customers or clients, access to public transportation and major roads and the public perception of safety in the surrounding neighbourhood. Attracting and retaining tenants often involves refitting, repairing or making improvements to office space to accommodate the type of business conducted by prospective tenants or a change in the type of business conducted by existing major tenants. Such refitting, repairing or improvements are often more costly for office properties than for other property types. Local and regional economic conditions and other related factors also affect the demand for and operation of office properties. For example, decisions by companies to locate an office in a given area will be influenced by factors such as labour cost and quality, and quality of life issues such as those relating to schools and cultural amenities. Also, changes in local or regional population patterns, the emergence of telecommuting, sharing of office space and employment growth also influence the demand for office properties and the ability of such properties to generate income and sustain market value. In addition, an economic decline in the businesses operated by tenants can affect a building and cause one or more significant tenants to cease operations and/or become insolvent. The risk of such an adverse effect is increased if revenue is dependent on a single tenant or a few large tenants or if there is a significant concentration of tenants in a particular business or industry. Each of the foregoing circumstances and events may, individually or in the aggregate, adversely affect the income from and market value of those Properties that comprise office properties and thereby increase the possibility that the Borrower and any other Obligors under the Calvino Loan will be unable to meet their obligations under the Loan.

Risks Relating to Portion of Assets Realised on Public Terrain

A portion of the parking area of the Treviso Property was built on public terrain ("*area demaniale*") and, therefore, the relevant property right cannot be subject to any transfer to private parties. According to Italian law, a public terrain may only be used for commercial purposes by private parties to the extent that a qualifying concession is granted by the competent Public Authorities. However, the relevant application seems to have been filed only on 2 December 2014 and such concession has not yet been issued and there is no certainty that the same will be released.

It is therefore unclear if the parking area has been lawfully authorised and built and in addition, the parking lots pertaining to the Treviso Property may not be sufficient – without the portion realised on public terrain – to meet the urban standards. In such a case, the Borrower might be required to realise further parking lots in order to meet the minimum urban standards requirements or, should such construction be impossible, pay an amount which will be determined by the competent Municipality (so-called "*monetizzazione delle aree a standard*") to the extent that such "monetizzazione" is admitted by the applicable town planning provisions.

Statutory Rights of Tenants

Italian law number. 392 of 27 July 1978 (the "**Law 392**"), grants certain rights to tenants under commercial lease agreements (*locazioni commerciali*). Such rights include the following:

(a) the tenant's right to compensation upon termination of a lease agreement related to a space used for an activity implying direct contacts with customers, for reasons other than the tenant: (i) having withdrawn; (ii) having served a termination notice effective as of the expiry date of the agreement; (iii) being in breach of contract; and (iv) being subject to any bankruptcy proceedings, such amount being equal to, in case of activities other than hotel activities, 18 monthly instalments of the last paid rent (or 36 monthly instalments of the last paid rent in the event that within one year since termination of such tenant's lease, new activities identical or similar to those carried out by the tenant in the leased premises are performed therein); and

(b) the tenant's right to terminate a lease agreement at any time upon 6 months' prior written notice for serious reasons (*gravi motivi*), including force majeure and objectively and unpredictably worsened economic and market conditions which make the lease too onerous for the tenant. This could result in a decrease of rental income to a Borrower, unless a new lease at substantially the same rent can be entered into. If a Borrower is unable to secure a new tenant at substantially the same rent, a decrease in rental income may have an adverse effect on such Borrowers' ability to meet its debt service on its Loan and subsequently the Noteholders may not receive the timely repayment of interest and principal on the Notes; and

(c) a pre-emption purchase right in favour of tenants carrying out activities implying direct contacts with customers to; prior waiver by a tenant of such pre-emption right is null and void and in case of breach of such pre-emption right, the tenant would have a right (*diritto di riscatto*) to obtain ownership of the sold premises from the purchaser or any assignee thereof. According to Italian case law, should the landlord sell the relevant premises as part of a sale as a pool (*vendita in blocco*, i.e., the sale as a whole, and not partitioned, of a compound made up of the different leased units), the tenant would not be entitled to exercise such pre-emption right.

The parties of lease agreements entered into in the future and meeting the requirements of Decree 133 may agree upon derogations from the above. In this regard, see also section entitled "*Selected Aspects of Italian Law—Lease Agreements*" below.

Risks Relating to Leases of Business Divisions

Certain occupational leases in respect of some of the Globe Properties are structured as leases of business units (*affitti di ramo d'azienda*) as opposed to commercial leases (*locazioni commerciali*). Leases of business units allow greater flexibility to the landlord and tenant to agree the terms and conditions of the lease agreement compared to the statutory provisions of law applicable to commercial leases. Certain Italian Supreme Court decisions and the legal practice are inclined to uphold leases of commercial units within shopping centres as validly entered into as leases of business unit. Consequently, the statutory provisions on commercial leases do not apply. However, tenants may claim that the lease of business unit should instead qualify as a commercial lease and therefore that the tenant should be entitled to exercise the statutory rights which apply to commercial leases. Any liability arising from such claims, where successful, and the consequent exercise of certain statutory rights by the tenants would remain with any Borrower.

In addition, compared to regular leases, a business lease gives rise to two potential risks for the lessor.

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

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

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

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

Recovery of Leased Premises within the Properties following Default by a Tenant under a Lease

Legal proceedings to evict defaulting tenants may be started if the relevant breach is not remedied. The procedure for a landlord to enforce its remedies may take time, especially if the tenant opposes or challenges the order of the judge to vacate a property or if it raises objections to the amount awarded to the lessor. In such cases, an ordinary legal action (rather than a summary judgment) ensues. The eviction is likely to take approximately 4 years. In this regard, see also section entitled "*Selected Aspects of Italian Law—Provisions governing Recovery of Amounts due under the Lease Agreements*" below.

Risks Relating to Pending Tax Assessments

There is evidence of certain tax assessments related to the Calvino Properties that at the time of this Offering Circular are still pending. Such tax claims might be relevant since the Calvino Borrower is the owner of the Calvino Properties and therefore, as part of the *Consorzio Compresorio Milanofiori* it might become liable for the payment of the TOSAP (the local tax on occupation of public areas) due to the Municipality of Assago.

Moreover, some of the pending tax claims pertain to audits regarding the cadastral values. We note that the cadastral income and the cadastral classification are relevant for IMU/ICI and TASI purposes. In such regard, as a general rule, in case of transfer of real estate properties, the vendor should be considered the entity liable for the property taxes due on the real estate assets. However, no clarification has been provided by the case law nor by the Tax Authorities.

The pending tax claims related to the Calvino Properties, are the following:

(a) Assago Asset:

(i) On 29 November 2006 and on 4 March 2011 the Italian Inland Revenue (Tax Office of Milan) notified certain cadastral verifications regarding the cadastral income attributed to two portions of Assago Asset.

(ii) On 24 December 2012 the Municipality of Assago has notified to *Consorzio Comprensorio Mirafiori* a tax assessment regarding the TOSAP due for the year 2007 for a total amount of Euro 577, 297.00 which, on 24 April 2013, has been reduced by the Municipality of Assago to Euro 112, 269.00 due to an error in the previous assessment.

(iii) On 8 January 2014 the Municipality of Assago has notified to *Consorzio Comprensorio Mirafiori* a tax assessment regarding the TOSAP due for the year 2008 for a total amount of Euro 111, 853.00.

Please note that, based upon the information provided to us, there is potential risk that the Calvino Borrower will be required to pay to the Municipality of Assago the TOSAP also for the years starting from 2009 to 2013 and similar tax claims may arise with respect to such period.

Against both the abovementioned tax assessments, *Consorzio Comprensorio Milanofiori* filed appeal before the Tax Court. Regardless the outcome of the first degree litigation, it is possible that the pending tax litigations will continue in the last degree of the tax litigation (i.e., before the Supreme Court).

Including interest and tax penalties, the total amount of each of the claims pertaining TOSAP is:

- for the fiscal year 2007: approximately €170,000.00; and
- for the fiscal year 2008: approximately €170,000.00.

(b) Ivrea Asset: on 30 May 2012 the Italian Inland Revenue Agency (Tax Office of Turin) notified a cadastral verification, pursuant to which the cadastral income attributed to the Torino Real Estate has been changed from D1 to D8.

We do not have any information regarding the outcome of the tax assessment.

(c) Treviso Asset: on 27 June 2006 the Italian Inland Revenue (Tax Office of Treviso) notified a cadastral verification regarding the cadastral income attributed to the Treviso Asset. Against this assessment, it was filed a tax claim which was rejected by the First Instance Tax Court of Treviso on September 17, 2007.

Risks Relating to Property Management

The Globe ComCos and the Fashion District Borrower have appointed (while the Calvino Borrower has only the faculty to do so) SVICOM Sviluppo Commerciale S.r.l. and Fashion District Group S.p.A, respectively, as managing agent and, in the case of the Calvino Borrower, the Calvino SGR will act as managing agent (provided that it is entitled to appoint a dedicated managing agent) (each of the above, respectively, the

"**Managing Agent**") to provide certain property management services in relation to the Properties. The successful operation of the Properties depends upon the Managing Agents' performance and the technical and economic viability of the Managing Agent's capital preservation and improvement projects and leasing initiatives. The Managing Agent is generally responsible for responding to changes in the local market; planning and implementing the rental structure; operating the property and providing building services; managing operating expenses; and assuring that maintenance and capital improvements are carried out in a timely fashion. Given the number of Properties and the number of leases, the Properties require intensive management, active marketing and leasing, and a good relationship with tenants in order to maintain and enhance income, minimise vacancy rates and also to ensure the Properties are kept in good order. The net cash flow realised from and/or the residual value of the Properties may be affected by the performance of the relevant Managing Agent under each Loan Agreement.

The Fashion District Borrower has agreed not to terminate its management agreement unless the Fashion District Facility Agent is notified in advance and a new Managing Agent is appointed. The Fashion District Borrower has also agreed to include in each management agreement provisions whereby upon occurrence of a Fashion District Loan Event of Default, the Fashion District Borrower is entitled to terminate the relevant management agreement. In case of breach by a Managing Agent of its obligations under the management agreement or of any duty of care agreement which is not remedied within 28 days, the Fashion District Facility Agent may require that a Borrower appoints a new Managing Agent.

The Globe ComCos have agreed not to terminate their management agreement, without the prior consent of, and on terms approved by, the Globe Facility Agent. In case a Managing Agent is in default of its obligations under the management agreement and, as a result, the relevant Globe ComCo is entitled to terminate the management agreement, then, if the Globe Facility Agent so requires, such Globe ComCo must promptly use all reasonable endeavours to terminate the management agreement and appoint a new Managing Agent.

For further information on the property management agreements related to the Properties please see sections "*The Loan Portfolio and Properties—The Globe Loan Summary—Property Management*", "*The Loan Portfolio and Properties—The Calvino Loan Summary—Property Management*" and "*The Loan Portfolio and Properties—The Fashion District Loan Summary—Property Management*".

Limited Due Diligence

The legal, technical and title due diligence exercises carried out with respect to the Properties were limited to the information made available by each Borrower in the legal and technical due diligence report prepared by the advisors to the Borrowers and the notaries appointed by each Borrower in connection with the acquisition of the Properties (respectively, the reports prepared with the Legal Due Diligence and the Non-Legal Due Diligence together, the "**Reports**"). The Reports also refer to documents which were not available, incomplete or not recent; such circumstances have not been considered material in the context of the transaction. The Reports for the Legal Due Diligence were based on documents provided by the vendors of the relevant Properties prior to the utilisation under each of the Loan Agreements. Notwithstanding the due diligence and reports which have been prepared as described above and relied upon by the Issuer, such due diligence and reports have not been comprehensive and there is no guarantee that they disclosed all relevant and/or material issues. In the Loan Agreements, the Borrowers have provided representations and warranties as to certain matters which have been described, verified and/or disclosed in such due diligence or reports but also in relation to matters which were not described, verified and/or disclosed therein. As such, it is possible that matters which could not be verified by reference to the due diligence and/or reports were represented to by the Loan Obligors subject to their best knowledge of the related circumstances. If such matters were subsequently shown to have been incorrect, inaccurate or untrue, but were not known by the Borrower at the relevant time to the best of their knowledge, it is possible that the Lender's remedies under the Loan Agreements, including the ability to declare a Loan Event of Default on this basis, would be limited or non-existent.

Insurance

Although the Loan Agreements require the Properties to be insured at an appropriate level and against usual risks, there can be no assurance that any loss incurred will be of a type covered by such insurance and will not exceed the limits of such insurance. The risks that the Loan Agreements require to be covered include, but are not limited to, loss or damage caused by certain specified events and all risks that are customary for companies carrying on a similar business to that of the Borrower (including, property damage, business interruption, acts of terrorism and (i) as for the Calvino Loan Agreement and the Fashion District Loan Agreement, public liability (including environmental risk); (ii) as for the Globe Loan Agreement, civil liability). There is a possibility of

losses with respect to one or more of the Properties for which insurance proceeds may not be adequate or which may result from risks which are not covered by insurance, the effect of which were not taken into account in preparing the cash flow analysis in respect of the Notes. As with all real estate, if reconstruction (due to earthquake, fire or other casualty) or any major repair or improvements is required to the Properties, changes in law and governmental regulations may be applicable and may materially affect the cost to effect such reconstruction, major repair or improvement. As result of the occurrence of any of these events, the amounts realised with respect to the Properties, and consequently the amounts available to make payments on the Notes, could be substantially less than as set forth in the cash flow analysis.

Risks Relating to the Insurance Policies to be delivered under the Commercial Property Lease Agreements and the Business Lease Agreements Relating to Globe Properties and Fashion District Properties

The great majority of Globe lease agreements and Fashion District lease agreements provide for an obligation of the relevant tenant to provide the landlord with an insurance policy covering, in most cases, third parties civil liability and "all risks".

Notwithstanding the above, there is no evidence that the tenants under the respective Globe lease agreements and Fashion District lease agreements provided the landlord with such insurance policies.

In light of the above, there is no certainty that the Borrowers would be secured against certain damages and liabilities incurred by the relevant tenants, as required under the Globe lease agreements and Fashion District lease agreements.

Risks Relating to the Rental Income

The Borrowers' ability to make their payments under the Loan Agreements will also be dependent on payments being made by the tenants of the Properties. Certain tenants of the Calvino Properties appear to be in arrears with respect to the payment of the rent due throughout 2014. Although in certain cases the amount of the unpaid rent does not appear to be material, such outstanding claims might be symptomatic of difficulties of the landlord to ensure the timely and full payment of the rent. Additionally, no assurance can be given that tenants in the Properties will continue making payments under their leases or that any such tenants will not become insolvent or subject to insolvency proceedings in the future or, if any such tenants become subject to insolvency proceedings, that they will continue to make rental payments in a timely manner. In addition, a tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a failure to make rental payments when due. If a tenant, particularly a major tenant, defaults its obligations under its occupational lease, a Borrower may experience delays in enforcing its rights as lessor and may incur substantial costs and experience significant delays associated with protecting its investment, including costs incurred in renovating and re-letting the Properties. In any of the above circumstances, the funds payable to a Borrower under a guarantee (if any) provided by the tenants may not be sufficient to off-set fully the diminished flow of revenues and the decrease in rental income may have an adverse effect on the Borrowers' ability to meet their debt service on the Loans and subsequently the Noteholders may not receive the timely repayment of interest and principal on the Notes.

In addition, rental income may also be affected as a result of the break clauses mentioned above with regard to the Fashion District lease agreements and the Globe lease agreements (see "*—Considerations Relating to the Properties—Risks Relating to Retail Properties*"), the break clauses set out by some of the Calvino Lease Agreements, of the tenants' right to terminate for serious reasons set out by Law 392 ("*—Considerations Relating to the Properties—Statutory Rights of Tenants*") and expiry of the lease agreements prior to the relevant Loan Maturity Date (as would be the case for some of the Lease Agreements).

Risks Relating to the Cash Flow Calculations

Cash flow figures in relation to the Properties contained in this Offering Circular are based on historical information and should not be taken as an indication of any future cash flows with respect to the Properties. Each investor should make its own determination of the appropriate assumptions to be used in determining the cash flow to be generated in relation to the Properties.

The cash flow figures set forth in this Offering Circular may vary substantially from corresponding cash flows determined in accordance with international accounting standards.

Initial Valuations

Each Initial Valuation was obtained around the time of the origination of the Loans and there can be no assurance that the market value of the Properties will continue to equal or exceed such valuation. The Initial Valuations and on-going Valuations of the Properties express the professional opinion of the valuers on each Property and are no guarantees of present or future value in respect of such Property. One valuer may, in respect of any Property, reach a different conclusion than the conclusion that would be reached if a different valuer was appraising such Property.

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

Properties having been Transferred by Donation

Certain portions of the Fiume Veneto Shopping Centre and the Vicenza Shopping Centre were transferred by donation (*donazione*) occurred less than 20 years from the date of registration of the relevant Mortgage.

A portion of the estate of the deceased (*eredità*) is reserved by mandatory provision of Italian law to his/her heirs at law (*eredi legittimari*) (i.e., children, spouse, and, in certain cases, parents, in percentages that change based upon the number and type of qualifying existing relatives), thus it is not freely assignable by the deceased, by will or by way of donation. Any heirs at law (*eredi legittimari*) (and their own heirs or transferees) who have been prejudiced by a donation (or disposition by will) of their reserved portion, are entitled to obtain a corresponding reduction of the quota granted (by way of donation or will) to a third party, which impinged in their reserved portion, by way of an *azione di riduzione*. A successful *azione di riduzione* may result (subject to certain circumstances, such as the absence of other freely available assets) in an asset previously donated to a third party having to be transferred back to the relevant heir at law (or having to be sold to fund payments due thereto), free of any mortgage, to the extent that the relevant *azione di riduzione* is registered with the competent Land Registry within 20 years from the date of registration of the donation. A registration of the *azione di riduzione* with the competent Land Registry after 10 years from the day on which the succession took place (i.e., the death of the relevant deceased) would not be of prejudice of a mortgagee under a mortgage registered prior to the registration of such *azione di riduzione*.

As a consequence of the above, should the donation by which the above portion of the Fiume Veneto Shopping Centre and/or the Vicenza Shopping Centre having have caused the above prejudice of heirs at law, the latters' rights would take precedent over the rights of the Lender over the relevant Mortgages.

A technical assessment is necessary in order to verify the extension of the areas concerned and to which parts of the Fiume Veneto Shopping Center and the Vicenza Shopping Center such portions refer.

Considerations Relating to each Fund and the Structure of the Funds

Risks Relating to the Management Companies of each Fund

Pursuant to the Financial Act, each Fund is an autonomous pool of assets, separate and segregated from: (i) the relevant SGR's assets; (ii) the unitholder's assets; and (iii) the assets of other funds and compartments managed by each SGR. Each SGR's creditors and the relevant depositary bank's creditors may not attach or claim against the Funds' assets. Actions brought by creditors of investors will be admitted only on the units held by such investors. The SGRs are not permitted to use Funds' assets for their corporate purposes or in the interest of third parties. In light of the foregoing, the insolvency of a SGR would not affect the segregation of the assets owned by such SGR. As to the risks arising from the "compulsory administrative liquidation" of a SGR, see also section entitled "*Selected Aspects of Italian Law—Forced Liquidation of the Fashion Direct Fund and the Calvino Fund*" below.

Risk Relating to the Qualification of the Funds as Real Estate Investment Funds

Real estate investment funds established pursuant to article 37 of the Financial Act and to article 14-bis of law number 86 of 25 January 1994, are not subject to corporate income tax (*imposta sul reddito delle società – IRES*) and local tax on productive activities (*imposta regionale sulle attività produttive – IRAP*); furthermore,

withholding taxes or substitute taxes ordinarily applicable at source on most types of financial income (including dividend income and interest on loans) do not apply on income received by real estate investment funds. However, this regime applies provided that the borrower qualifies as a real estate fund from an Italian law perspective. If the relevant arrangement does not qualify as a genuine collective investment undertaking, the application of the tax regime provided for real estate investment funds is disregarded and the fund would be subject to corporate income taxes on an ordinary basis.

In the absence of a definition of real estate investment fund provided by the Italian tax legislation, the condition for the application of such tax regime is that a fund qualifies as a real estate investment fund from a civil law perspective. According to article 1(1)(j) of the Financial Act, "investment funds: will mean equity raised independently through the issue of one or more fund units from among a number of investors, with the aim of investing the equity raised in accordance with a pre-established investment policy; divided into units pertaining to a given number of investors; managed upstream in the interests of the investors and fully independent of those investors". Hence, from the definition provided by the Financial Act, in order for a fund to be qualified as a real estate investment fund, it (i) must entail a collective management of savings collected from a plurality of investors; and (ii) its assets must be managed by the asset management company (*società di gestione*) autonomously and independently from the participants.

In the context of the first drawdown of the Calvino Loan, reasonable comfort was received from a reputable law firm with respect to the Calvino Fund incorporating all the constitutional elements provided for by article 1, paragraph 1, letters j), k), k-ter) and l) of the Financial Act with reference to Italian undertakings for collective investments of a close ended nature (so called "**OCIR italiani chiusi**") set up in the form of investment funds, and being entitled to the tax treatment provided for by articles 6, 8 and 9 of the Italian law decree 351/2001 and the relevant unitholder qualifies as an "**institutional investor**" pursuant to article 32, paragraph 3, of Italian law decree 78/2010. In the context of the drawdown of the Fashion District Loan, reasonable comfort from was received from tax experts with respect to the plurality of investors of the investor in the Moma Fund and to the tax treatment of the Moma Fund.

However, the risk cannot be excluded that the Italian tax authorities might maintain an adverse interpretation regarding the qualification of the Funds and should such adverse interpretation ultimately prevail in court, there could be a material adverse impact on the business, financial condition or results of operations of the Funds.

General: Risks not Exhaustive

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

THE LOAN PORTFOLIO AND THE PROPERTIES

The Loan Portfolio is comprised of 95 per cent. of the following three loans:

(a) a €115,000,000 term loan (the "**Globe Loan**") made available pursuant to a loan agreement dated 27 November 2014 between Dima S.r.l., Falcone Immobiliare S.r.l. and Palladio Immobiliare S.r.l. (collectively, the "**Globe Borrowers**"), the Globe Company, each Globe Guarantor, the Originator as original lender, Bank of America Merrill Lynch International Limited as mandated lead arranger, Mount Street Mortgage Servicing Limited as agent of the other Loan Finance Parties (the "**Globe Facility Agent**") and Zenith Service S.p.A., as security agent for the Loan Finance Parties (the "**Globe Security Agent**"), as amended by an amendment agreement dated 7 January 2015 (the "**Globe Loan Agreement**");

(b) a €101,500,000.00 term loan (the "**Calvino Loan**") made available pursuant to a loan agreement dated 31 July 2014 between Cordea Savills SGR S.p.A. (in such capacity, the "**Calvino SGR**"), acting as managing company of, and therefore in the name and on behalf of, the closed-ended real estate speculative fund "*C2 Investment Fund – Fondo Comune di Investimento Immobiliare Speculativo di Tipo Chiuso*" (the "**Calvino Fund**", the "**C2 Investment Fund**" and the "**Calvino Borrower**"), the Originator as original lender, Bank of America Merrill Lynch International Limited as mandated lead arranger, Mount Street Loan Solutions LLP as agent of the other Loan Finance Parties (the "**Calvino Facility Agent**") and Zenith Service S.p.A. as security agent for the Loan Finance Parties (the "**Calvino Security Agent**"), as amended by agreements dated 28 November 2014, 19 December 2014 and 9 February 2015 (the "**Calvino Loan Agreement**"); and

(c) a €85,000,000 term loan (the "**Fashion District Loan**") made available pursuant to a loan agreement dated 4 November 2014 between Moma Pledgeco S.à r.L. (the "**Fashion District Company**"), Moma Holdco S.À R.L. (the "**Fashion District Holdco**"), Idea Fimit Società Di Gestione Del Risparmio s.p.a. (the "**Fashion District SGR**"), acting for itself (in respect of certain representations only) and in its capacity as management company (*società di gestione del risparmio*) on behalf of the closed-end real estate speculative investment fund reserved to qualified investors (*fondo comune di investimento immobiliare speculativo di tipo chiuso riservato a investitori qualificati*) named "MOMA" (the "**Fashion District Fund**", the "**MOMA Fund**" and the "**Fashion District Borrower**"), the Originator as original lender, Bank of America Merrill Lynch International Limited as mandated lead arranger; Mount Street Mortgage Servicing Limited as facility agent of the Loan Finance Parties (the "**Fashion District Facility Agent**") and Zenith Service S.p.A. as security agent and trustee for the Loan Finance Parties (the "**Fashion District Security Agent**"), as amended by an agreement dated 22 January 2015 (the "**Fashion District Loan Agreement**").

The Globe Loan, the Calvino Loan and the Fashion District Loan together constitute the "**Loans**" and the Globe Loan Agreement, the Calvino Loan Agreement and the Fashion District Loan Agreement together constitute, the "**Loan Agreements**".

Some key characteristics of the 3 loans have been summarised below:

Loan ID	Loan Name	# of Assets	Total Market Value (€)	Total Market Value (%)	Total Market Value (€/sqm)	Total Loan Balance (€)	Total Loan Balance (%)	Total Loan Balance (€/sqm)	NOI (€)	Gross Passing Rent (€)	Gross Passing Rent (%)	Gross Passing Rent (€/sqm)	ERV (€)
1	Calvino	9	152,300,000	31.6%	1,320	101,500,000	33.7%	880	10,934,148	13,256,910	32.7%	115	14,016,600
2	Fashion District	2	130,900,000	27.2%	2,078	85,000,000	28.2%	1,350	11,052,797	12,114,327	29.9%	192	14,434,529
3	Globe	3	198,770,000	41.2%	1,785	115,000,000	38.1%	1,033	13,833,382	15,117,382	37.3%	136	15,133,579
Total/WA		**14**	**481,970,000**	**100.0%**	**1,664**	**301,500,000**	**100.0%**	**1,041**	**35,820,327**	**40,488,619**	**100.0%**	**140**	**43,584,708**

Loan ID	Loan Name	Floor Area (M2)	Floor Area (%)	Vacant Area (M2)	Occupancy (Floor Area)	Occupancy (ERV)	Cut-off Date LTV	NOI (DY)	Gross Passing Rent (DY)	ERV (DY)	WA Time to Break (Yrs)1	WA Time to Expiry (Yrs)2	Remaining Loan Term (Yrs)3	Loan Margin	Loan Interest Hedging Base Rate	ICR (NOI)
1	Calvino	115,336	39.8%	22,495	80.5%	80.8%	66.6%	10.8%	13.1%	13.8%	4.07	8.31	4.60	3.25%	1.10%	2.48
2	Fashion District	62,981	21.7%	11,267	82.1%	83.4%	64.9%	13.0%	14.3%	17.0%	3.94	5.03	4.87	2.70%	2.00%	2.77
3	Globe	111,357	38.4%	1,651	98.5%	98.4%	57.9%	12.0%	13.1%	13.2%	5.11	7.72	5.13	2.30%	2.50%	2.51
Total/WA		**289,675**	**100.0%**	**35,413**	**87.8%**	**87.8%**	**62.6%**	**11.9%**	**13.4%**	**14.5%**	**4.42**	**7.11**	**4.88**	**2.73%**		**2.57**

1 Weighted by gross rent. If no break date then assumes expiry date. If break date is in the past, assumes the notice has not been served on the break date, there is no period to serve the notice after the break date, and expiry date has been used.

2 Weighted by gross rent.

3 Weighted by Loan Balance, assumes 31/12/2014 cutoff: Calvino calculation assumes extension.

Loan ID	Loan Name	Property ID	Loan Property	Total Market Value (€)	Total Market Value (%)	Total Market Value (€/sqm)	Allocated Loan Amount (€)	Total Loan Balance (%)	Total Loan Balance (€/sqm)	NOI (€)	Gross Passing Rent (€)	Gross Passing Rent (%)	Gross Passing Rent (€/sqm)	ERV (€)
1	Calvino	1	Roma	32,700,000	6.8%	2,858	22,771,565	7.6%	1,990	2,575,104	3,058,534	7.6%	267	2,560,120
1	Calvino	2	Milano	17,300,000	3.6%	2,554	11,617,080	3.9%	1,715	1,811,325	2,003,021	4.9%	296	1,542,612
1	Calvino	3	Assago	37,900,000	7.9%	1,211	25,450,134	8.4%	813	1,743,619	2,542,671	6.3%	81	3,841,343
1	Calvino	4	Agrate Brianza	10,150,000	2.1%	834	5,414,738	1.8%	445	470,380	852,706	2.1%	70	1,435,808
1	Calvino	5	Ivrea	15,450,000	3.2%	743	10,451,641	3.5%	502	1,353,561	1,550,976	3.8%	75	1,485,636
1	Calvino	6	Torino	32,100,000	6.7%	1,185	21,395,721	7.1%	790	2,458,994	2,689,861	6.6%	99	2,621,000
1	Calvino	7	Treviso	3,500,000	0.7%	1,262	2,298,048	0.8%	829	269,133	289,182	0.7%	104	271,561
1	Calvino	8	Trieste	1,420,000	0.3%	1,018	932,351	0.3%	668	111,466	119,658	0.3%	86	115,600
1	Calvino	9	Venezia - Mestre	1,780,000	0.4%	1,121	1,168,721	0.4%	736	140,566	150,301	0.4%	95	142,920
2	Fashion District	11	Mantova Fashion District	77,300,000	16.0%	3,084	53,000,000	17.6%	2,115	6,489,250	6,889,937	17.0%	275	7,382,975
2	Fashion District	12	Molfetta Fashion District	53,600,000	11.1%	1,414	32,000,000	10.6%	844	4,563,547	5,224,390	12.9%	138	7,051,554
3	Globe	13	Vicenza	83,840,000	17.4%	1,816	48,506,314	16.1%	1,051	5,876,699	6,369,699	15.7%	138	6,427,717
3	Globe	14	Monfalcone	47,700,000	9.9%	1,595	27,597,223	9.2%	923	3,354,392	3,686,392	9.1%	123	3,641,355
3	Globe	15	Fiume Veneto	67,230,000	13.9%	1,905	38,896,463	12.9%	1,102	4,602,290	5,061,290	12.5%	143	5,064,507
Total/WA				**481,970,000**	**100.0%**	**1,664**	**301,500,000**	**100.0%**	**1,041**	**35,820,327**	**40,488,619**	**100.0%**	**140**	**43,584,708**

Loan ID	Loan Name	Property ID	Floor Area (M2)	Floor Area (%)	Vacant Area (M2)	Occupancy (Floor Area)	Occupancy (ERV)	Cut-off Date LTV	NOI (DY)	Gross Passing Rent (DY)	ERV (DY)	WA Time to Break (Yrs)1	WA Time to Expiry (Yrs)2	Property Type	Property City
1	Calvino	1	11,442	3.9%	0	100.0%	100.0%	69.6%	11.3%	13.4%	11.2%	2.13	8.13	Office	Roma
1	Calvino	2	6,775	2.3%	0	100.0%	100.0%	67.2%	15.6%	17.2%	13.3%	5.58	5.58	Office	Milano
1	Calvino	3	31,298	10.8%	13,961	55.4%	55.8%	67.2%	6.9%	10.0%	15.1%	3.24	8.69	Office	Assago
1	Calvino	4	12,163	4.2%	6,412	47.3%	44.6%	53.3%	8.7%	15.7%	26.5%	2.32	7.57	Office	Agrate Brianza
1	Calvino	5	20,806	7.2%	2,121	89.8%	87.0%	67.6%	13.0%	14.8%	14.2%	1.76	1.76	Office	Ivrea
1	Calvino	6	27,096	9.4%	0	100.0%	100.0%	66.7%	11.5%	12.6%	12.3%	7.17	13.17	Other	Torino
1	Calvino	7	2,773	1.0%	0	100.0%	100.0%	65.7%	11.7%	12.6%	11.8%	7.17	13.17	Other	Treviso
1	Calvino	8	1,395	0.5%	0	100.0%	100.0%	65.7%	12.0%	12.8%	12.4%	7.17	13.17	Other	Trieste
1	Calvino	9	1,588	0.5%	0	100.0%	100.0%	65.7%	12.0%	12.9%	12.2%	7.17	13.17	Other	Venezia - Mestre
2	Fashion District	11	25,065	8.7%	1,811	92.8%	93.2%	68.6%	12.2%	13.0%	13.9%	3.32	4.44	Retail	Bagnolo San Vito
2	Fashion District	12	37,916	13.1%	9,456	75.1%	73.1%	59.7%	14.3%	16.3%	22.0%	4.76	5.80	Retail	Molfetta
3	Globe	13	46,163	15.9%	1,427	96.9%	97.3%	57.9%	12.1%	13.1%	13.3%	4.46	7.38	Shopping Centre	Vicenza
3	Globe	14	29,906	10.3%	62	99.8%	99.1%	57.9%	12.2%	13.4%	13.2%	5.79	8.70	Shopping Centre	Monfalcone
3	Globe	15	35,288	12.2%	162	99.5%	99.2%	57.9%	11.8%	13.0%	13.0%	5.43	7.43	Shopping Centre	Fiume Veneto
Total/WA			**289,675**	**100.0%**	**35,413**	**87.8%**	**87.8%**	**62.6%**	**11.9%**	**13.4%**	**14.5%**	**4.42**	**7.11**		

1 Weighted by gross rent. If no break date then assumes expiry date. If break date is in the past, assumes the notice has not been served on the break date, there is no period to serve the notice after the break date, and expiry date has been used.
2 Weighted by gross rent.

The Globe Loan and Properties

LOAN INFORMATION[1]	
Percentage of Loan Pool:	38.1 per cent.
Cut-Off Date Loan Balance:	€115,000,000
Projected Loan Balance at Loan Maturity Date:	€111,118,750
Purpose:	Acquisition and refinancing of existing debt
First Utilisation Date:	27 November 2014
Amortisation[2]:	Years 1-3: 0 per cent. Year 4: 1.5 per cent. Year 5: 1.5 per cent.
Loan Maturity Date:	15 February 2020
Remaining Term (as at 31 Dec 2014:	5.13 years
Interest Rate:	Loan EURIBOR + 2.30 per cent.
Prepayment Protection[3]:	Margin make whole until Loan Payment Date in February 2017. Thereafter, none.
Hedge Counterparty:	Commonwealth Bank of Australia
Description of Hedging:	Interest Rate Cap 95 per cent. of Loan must be hedged Cap Strike Rate: 2.5 per cent. To Nov 2018; 3 per cent. thereafter
Governing Law:	Loan: Italian Security: Italian, English and Luxembourg
Primary Loan Security:	1st ranking Italian Mortgages and assignment of claims arising from lease agreements
Sponsor:	Orion Capital Managers
Borrower:	Three Italian private limited liability companies
Borrower Location:	Italy

PROPERTY/TENANCY INFORMATION[1]	
Property Type:	Retail
No. of Properties:	3
Property Location:	Various locations in North Eastern Italy
Year Built/Renovated:	Various (between 1993 to 2008)
Managing Agent:	SVICOM-Sviluppo Commercial S.r.l.
Net Rentable Area: (Sq. M):	111,357
Occupancy (as at Cut-Off): (per cent. of GLA): (per cent. of ERV):	 98.5 per cent. 98.4 per cent.
Weighted Average Lease Term at First Break (as of Expiry):	7.7

FINANCIAL INFORMATION[1]	
Market Value:	€198,770,000
Market Value Per Sq. M:	€1,785
Valuer:	CBRE
Date of Initial Valuation:	30 September 2014
Total Gross Rent/Revenue:	€15,117,382
ERV:	€15,133,579
Net Income (from Cut-Off Date compliance certificate):	€13,833,382

ADDITIONAL LOAN FEATURES[1]	
Covenants:	Globe Loan to Value :75 per cent. Globe Debt Service Cover Ratio : 1.5x
Cash Sweep:	Globe Debt Service Cover Ratio of less than 1.65x Globe Loan to Value being greater than 65 per cent. Globe Loan Default

FINANCIAL RATIOS[1]		
Cut-off Date ICR	2.51	
Cut-Off Date DSCR[1]	2.51	
	At Cut-Off Date	**Loan Maturity Date**
LTV	57.9 per cent.	55.9 per cent.

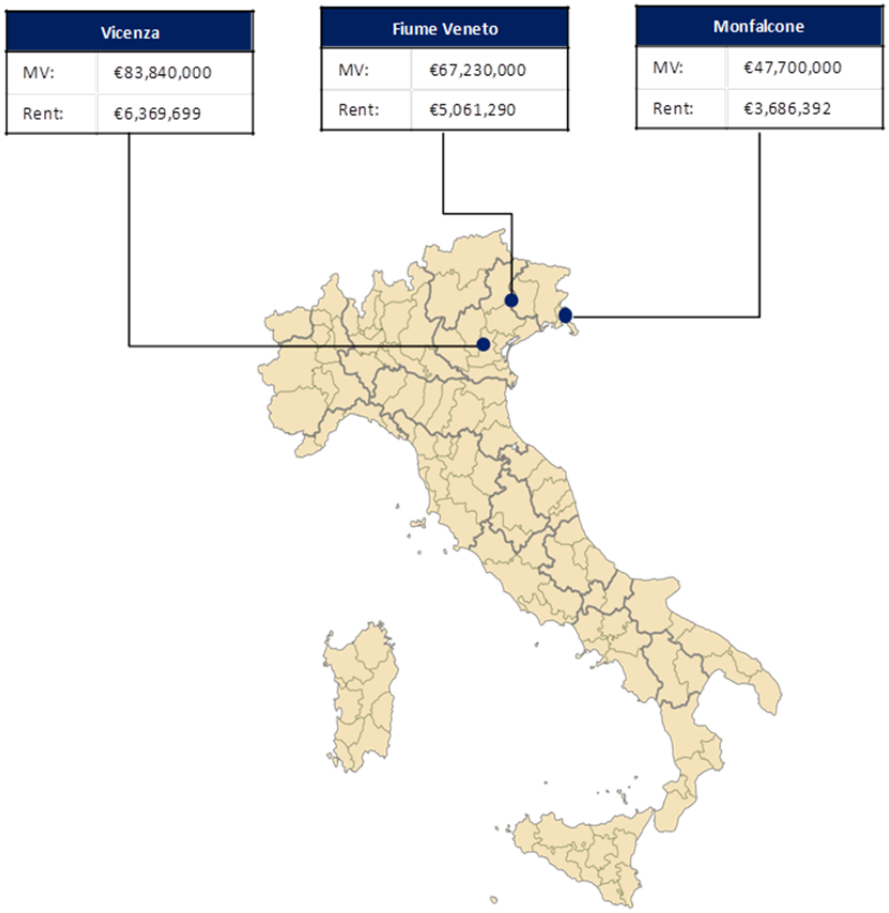
(1) Unless otherwise provided herein, all information in relation to the Loan or Properties in this table is stated as of the Cut-Off Date.
(2) For Years 4-5, amortisation will only apply if the aggregate Globe Loan to Value on a Globe Test Date during the fourth year from the Globe utilisation date at the end of the preceding year is above 55 per cent. See "*—The Globe Loan Summary—Repayment and Prepayment of Principal—*"

(3) See "*The Globe Loan Summary Fees*" for more details.

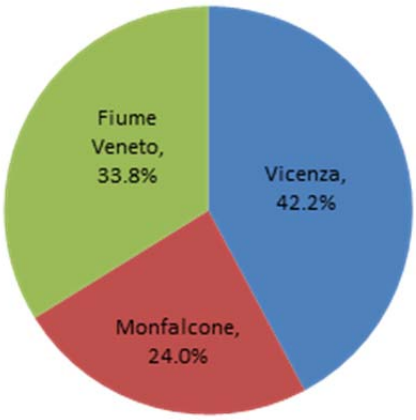
The Globe Properties

The Globe Properties consist of 3 shopping centres in Northern Italy; one in Vicenza, Veneto, one in Monfalcone, Friuli Venezia Giulia and one in Fiume Veneto, Friuli Venezia Giulia. The gross lettable area ("**GLA**") for the portfolio is approximately 111,000 m² and has a total net operating income ("**NOI**") of €13.8m. The total market value of the portfolio has been calculated as €198.8m by CBRE. The total debt is €115m and so the LTV is 57.9 per cent. and the debt yield is 12 per cent. The estimated rental value ("**ERV**") has been calculated by CBRE to be €15m. The occupancy (weighted by ERV) is 98.4 per cent.

Geographical Location of the Collateral - Globe



Asset (Per Cent. of Total Value of the Properties)	
Vicenza	42.2 per cent.
Monfalcone	24.0 per cent.
Fiume Veneto	33.8 per cent.



Globe Tenant Analysis

ERV	%
Tenant 1	19.14%
Tenant 2	4.81%
Tenant 3	4.20%
Tenant 4	3.21%
Tenant 5	2.80%
Tenant 6	2.61%
Tenant 7	2.58%
Tenant 8	1.99%
Tenant 9	1.81%
Tenant 10	1.47%

The Calvino Loan and Properties

LOAN INFORMATION[1]	
Percentage of Loan Pool:	33.7 per cent.
Cut-Off Date Loan Balance:	€101,500,000
Projected Loan Balance at Loan Maturity Date:	€0
Purpose:	Acquisition
First Utilisation Date:	31 July 2014
Loan Maturity Date:	7 August 2018[2]
Amortisation:	No scheduled amortisation[3]
Remaining Term (as at 31 Dec 2014):	4.60 years
Interest Rate:	Loan EURIBOR + 3.25 per cent.
Prepayment Protection[4]:	Margin make whole until the Loan Payment Date in August 2016
Hedge Counterparty:	Merrill Lynch International
Description of Hedging:	Interest Rate Cap 95 per cent. of Loan must be hedged Cap Rate: 1.10 per cent. (based on the amortisation profile of the Loan shown in the business plan) Additional Cap: difference between 95 per cent. of the Loan and the balance above is hedged with a strike rate of 5 per cent.
Governing Law:	Loan: Italian Security: Italian and English
Primary Loan Security:	1st ranking Italian Mortgages and assignment of claims arising from lease agreements
Sponsor:	Cerberus and Cordea Savills
Borrower: SGR:	C2 Investment Fund Cordea Savills SGR S.p.A
Borrower Location:	Italy

PROPERTY/TENANCY INFORMATION[1]	
Property Type:	Office
No. of Properties:	9
Property Location:	Northern Italy and Rome
Year Built/Renovated:	Various (built between 1960's and 2000's)
Managing Agent:	Cordea Savills
Net Rentable Area: (Sq. M):	115,336
Occupancy (as at Cut-Off): (per cent. of GLA): (per cent. of ERV):	 80.5 per cent. 80.8 per cent.
Weighted Average Lease Term at Expiry (as at Cut-Off):	8.3 years

FINANCIAL INFORMATION[1]	
Market Value:	€152.3 million
Market Value Per Sq. M:	€1,320
Valuer:	JLL
Date of Initial Valuation:	June 2014
Total Gross Rent/Revenue:	€13,256,910
ERV:	€14,016,600
Net Income:	€10,934,148

ADDITIONAL LOAN FEATURES[1]	
Covenants:	Calvino Loan to Value Ratio : 75 per cent. Calvino Interest Cover Ratio: 1.5x
Cash Sweep:	Calvino Interest Cover Ratio of less than 1.75x. The Calvino Loan being greater than the Calvino Target Loan Amount on the relevant date.
	Failure to carry out agreed capex Breach of financial covenants Continuing Loan Event of Default Relevant Default

FINANCIAL RATIOS[5]		
Cut-off Date ICR	2.48	
Cut-Off Date DSCR	2.48	
	At Cut-Off Date	**Loan Maturity Date**
LTV	66.6 per cent.	0 per cent.

(1) Unless otherwise provided herein, all information in relation to the Loan or Properties in this table is stated as of the Cut-Off Date.

(2) The Calvino Borrower may opt to extend the maturity date until 7 August 2019 if certain conditions are met – see ("*—The Calvino Loan Summary—Repayment and Prepayments of Principal*").

(3) While there is no scheduled amortisation on the Calvino Loan, there is a requirement that the Loan Balance for the Calvino Loan is less than the Calvino Target Loan Amount at any relevant date. If the Loan Balance for the Calvino Loan is not less than such amount, then there will be a

Calvino Cash Trap Event and all excess amounts collected with respect to the Calvino Loan will be held in the Calvino Deposit Account. If the Calvino Cash Trap Event continues for more than two consecutive Loan Interest Periods, then on the Loan Payment Date following the second Loan Interest Period, the Calvino Cash Trap Amount shall be applied in prepayment of the Calvino Loan. See "—The Calvino Loan Summary—Calvino Loan Accounts" below.

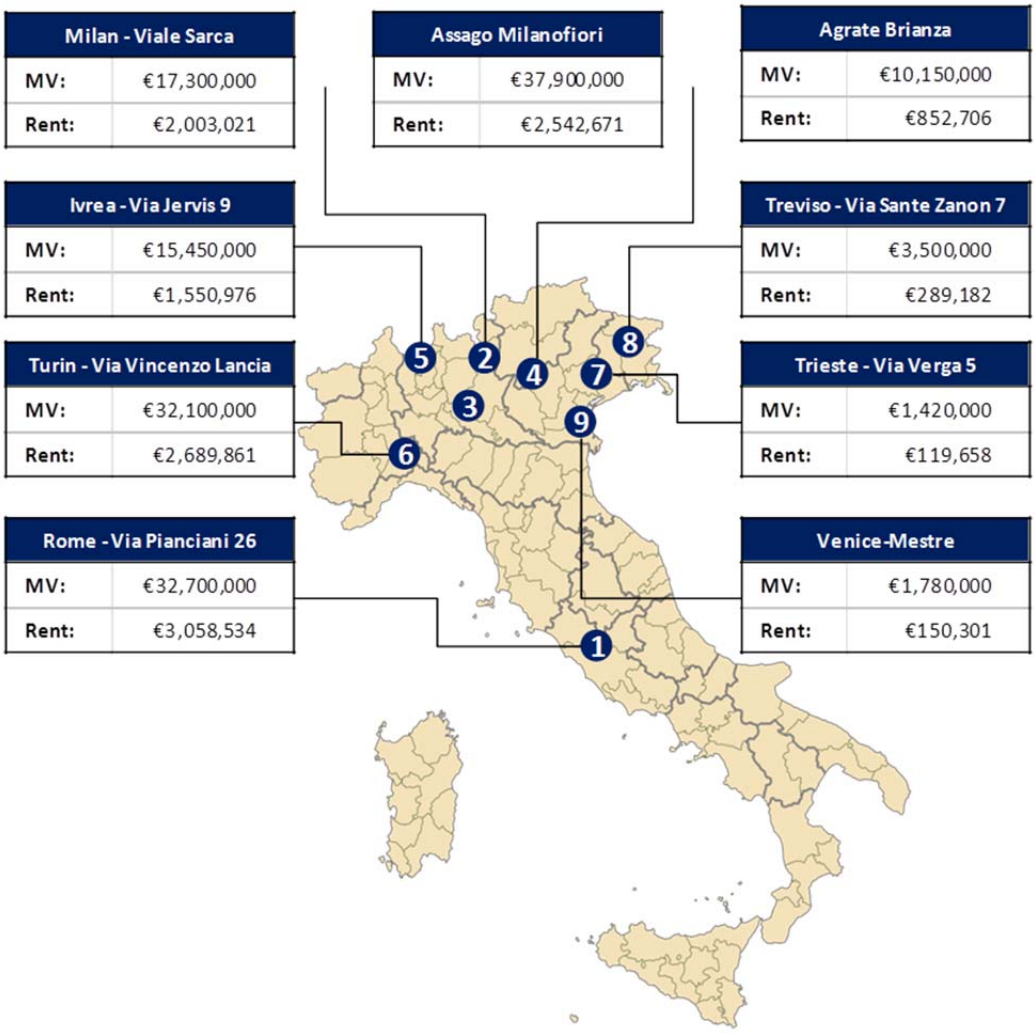
(4) See "*—The Calvino Loan Summary—Fees*" for more details.

The Calvino Properties

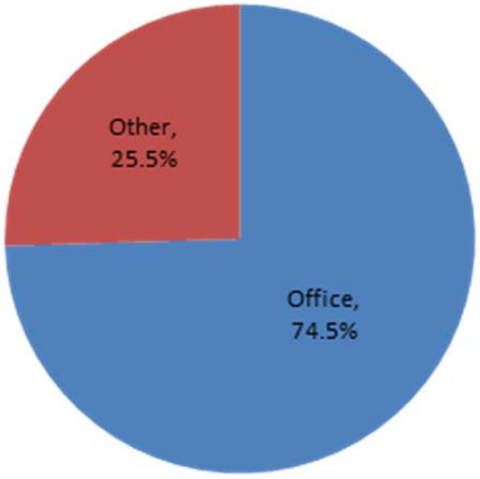
The Calvino Properties consist of 9 freehold assets across Italy with the majority located in Northern Italy and one property in Rome, Lazio. The property uses are divided into 3 multi-tenant office buildings, 2 single tenant headquarters and 4 telephone exchanges.

The Calvino Properties consist of approximately 115,000 m² of GLA which is predominantly office, telephone exchange and ancillary space across northern Italy (the properties in Northern Italy represent 90 per cent. of the total GLA, 77 per cent. of the total gross rent) and Rome (10 per cent. of the total GLA and 23 per cent. of the total gross rent). The properties are predominantly located in central urban areas, business districts or technical hubs within their cities and regions. The leases are double net lease structures. The average lease to expiry is 8.31 years. The total market value (as calculated by JLL) for the portfolio is €152.3m with a total debt of €101.5m (66.6 per cent. LTV). The total NOI is €10.9m, representing a debt yield of 10.8 per cent. The ERV is €14m as calculated by JLL. The weighted average occupancy (weighted by ERV) is 80.8 per cent.

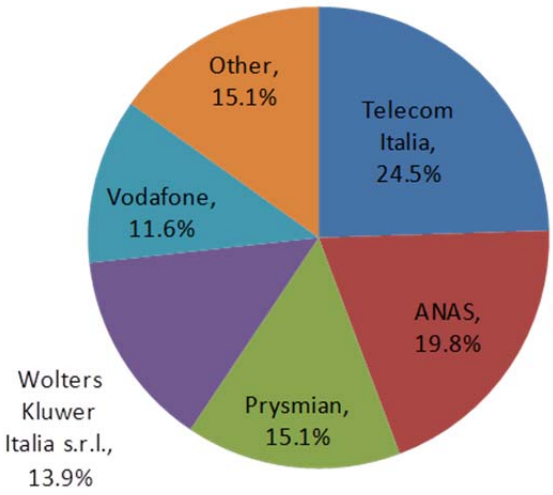
Geographical Location of the Calvino Properties



Asset (Per Cent. of Total Value of the Properties)	
Office	74.5 per cent.
Other	25.5 per cent.



Tenants (Per Cent. of Gross Rent)	
Telecom Italia	24.5 per cent.
ANAS	19.8 per cent.
Prysmian	15.1 per cent.
Wolters Kluwer Italia s.r.l.	13.9 per cent.
Vodafone	11.6 per cent.
Other	15.1 per cent.



The Fashion District Loan and Properties

LOAN INFORMATION	
Percentage of Loan Pool:	28.2 per cent.
Cut-Off Date Loan Balance:	€85,000,000
Projected Loan Balance at Loan Maturity Date:	€81,600,000
Purpose:	Acquisition
First Utilisation Date:	18 November 2014
Amortisation:	Years 3–4: 1 per cent. Year 5: 2 per cent.
Loan Maturity Date:	15 November 2019
Remaining Term (as at 31 Dec 2014:	4.87 years
Interest Rate:	Loan EURIBOR + 2.70 per cent.
Prepayment Protection(2)	Prepayment Fee of 1.5 per cent. until the Loan Payment Date in 2015
Hedge Counterparty:	Merrill Lynch International
Description of Hedging:	Interest Rate Cap 95 per cent. of Loan must be hedged Cap Rate: 2 per cent. for years 1-3; 3 per cent for year 4; and 4 per cent for year 5
Governing Law:	Loan: English Security: Italian, Luxembourg and English
Primary Loan Security:	1st ranking Italian Mortgages and assignment of claims arising from lease agreements and each master lease
Sponsor:	Any fund and/or other entity managed, advised, owned and/or controlled by The Blackstone Group L.P. and/or any of its affiliates (as defined in the Facility Agreement)
Borrower:	MOMA
SGR:	IDeA Fimit Società di Gestione del Risparmio S.p.A.
Borrower Location:	Italy

PROPERTY/TENANCY INFORMATION(1)	
Property Type:	Retail
No. of Properties:	2
Property Location:	Bagnolo San Vito, Italy and Molfetta, Italy
Year Built/Renovated:	2003 and 2005
Managing Agent:	Fashion District Group SPA
Asset Manager:	Kryalos Asset Management
Net Rentable Area: (Sq. M):	62,981
Occupancy (as at Cut-Off): (per cent. of GLA): (per cent. of ERV):	 82.1 per cent. 83.4 per cent.
Weighted Average Lease Term at Expiry (as at Cut-Off Date):	5.0 years

FINANCIAL INFORMATION(1)	
Market Value:	€130,900,000
Market Value Per Sq. M:	€2,078
Valuer:	Cushman and Wakefield
Date of Initial Valuation:	30 September 2014
Total Gross Rent/Revenue:	€12,114,327
ERV:	€14,434,529
Net Income (from Cut-Off Date compliance certificate):	€11,052,797

ADDITIONAL LOAN FEATURES(1)	
Covenants:	LTV Ratio : 80 per cent. DSCR: 1.20x
Cash Sweep:	DSCR is less than 1.45x

FINANCIAL RATIOS(6)		
Cut-off Date ICR	2.77	
Cut-Off Date DSCR	2.77	
	At Cut-Off Date	**Loan Maturity Date**
LTV	64.9 per cent.	62.3 per cent.

(1) Unless otherwise provided herein, all information in relation to the Loan or Properties in this table is stated as of the Cut-Off Date.

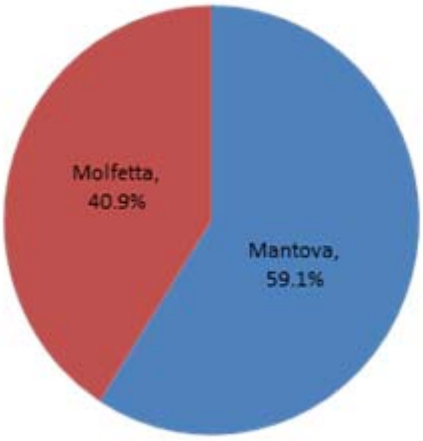
(2) See "—*The Fashion District Loan Summary*" for more details.

The Fashion District Properties

The Fashion District Properties consist of 2 regional outlet centres in Italy; one in Bagnolo, Mantova, Northern Italy (representing 59 per cent. of the total market value) and one in Bari, Southern Italy. The total GLA is approximately 63,000 m² with a total net operating income of €11.1m, representing a debt yield of 13 per cent. Cushman and Wakefield has calculated the total ERV to be €14.4m. The total debt is €85m which represents an LTV of 64.9 per cent. to Cushman and Wakefield's valuation of €130.9m. The weighted average occupancy (weighted by ERV) is 83.4 per cent.

The Blackstone Group L.P. has purchased a number of outlet centres across Italy and is now the biggest owner of this asset class. A map of the owned assets is shown below (source: Blackstone).

Asset (Per Cent. of Total Value of the Properties)		
Mantova	59.1 per cent.	Mantova
Molfetta	40.9 per cent.	Molfetta



Tenant Industry (Per Cent. of Gross Rent)	
Consumer Products	81.2 per cent.
Lodging & Restaurants	8.3 per cent.
Gaming, Leisure & Entertainment	6.0 per cent.
Food, Beverage & Tobacco	1.7 per cent.
Unknown	1.5 per cent.
Industrial/Manufacturing	0.7 per cent.
Health Care & Pharmaceuticals	0.3 per cent.
Banking & Finance	0.2 per cent.

Loan Summary Definitions

"**Assago Asset**" means the real estate asset located in Assago Milano Fiori (Milan) at via Strada 1, owned by the Calvino Borrower.

"**Borrower**" means:

(a) in respect of the Globe Loan, the Globe Borrowers;

(b) in respect of the Calvino Loan, the Calvino Borrower; and

(c) in respect of the Fashion District Loan, the Fashion District Borrower.

"**Borrower Facility Agent**" means any of the Globe Facility Agent, the Calvino Facility Agent or the Fashion District Facility Agent.

"**Borrower Security Agent**" means any of the Globe Security Agent, the Calvino Security Agent or the Fashion District Security Agent.

"**Break Costs**" means, with respect to any Loan, the amount (if any) by which:

(a) the interest which the Lender should have received for the period from the date of receipt of all or any part of its participation in such Loan or unpaid sum to the last day of the current Loan Interest Period in respect of such Loan or unpaid sum, had the principal amount or unpaid sum received been paid on the last day of that Loan Interest Period;

exceeds:

(b) the amount which the Lender would be able to obtain by placing an amount equal to the principal amount received by it on deposit with a leading bank in the European interbank market (or, with respect to the Fashion District Loan, the London interbank market) for a period starting on the Loan Business Day following receipt or recovery and ending on the last day of the current Loan Interest Period.

"**Calvino Asset Manager**" means, with respect to the Calvino Loan, the Calvino SGR, any subsidiary of the Calvino SGR or any other asset manager appointed from time to time by the Calvino Borrower with the prior written consent of the Borrower Facility Agent upon instructions of the Lender, acting reasonably, in respect of any of the Calvino Properties.

"**Calvino Cash Trap Amount**" means the amount standing to the credit of the Calvino Rent Account which is required to be deposited in the Calvino Deposit Account on each Loan Payment Date on each Loan Payment Date as described under "*—The Calvino Loan Summary—Calvino Loan Accounts—Calvino Rent Account*".

"**Calvino Cash Trap Event**" means, with respect to the Calvino Loan, at any Calvino Test Date:

(a) a compliance certificate attesting a Calvino Interest Cover Ratio lower than 1.75x is provided in respect of such Calvino Test Date;

(b) the Calvino Loan being greater than the Calvino Target Loan Amount on each relevant date as set out in the table following the definition of "Calvino Target Loan Amount" below;

(c) a failure to carry out the Calvino Capex substantially in accordance with the Calvino Business Plan and the Calvino Capex Covenants;

(d) a breach of the financial covenants has occurred and is continuing; or

(e) a Loan Event of Default has occurred and is continuing; or

(f) a Calvino Relevant Default has occurred and is continuing.

"**Calvino Compensation Prepayment Proceeds**" means, with respect to the Calvino Loan, the proceeds of all compensation and damages for the compulsory purchase of, or any blight or disturbance affecting, any Calvino Property.

"**Calvino Core Debt Yield**" means, in relation to relevant Calvino Properties taken in aggregate, the ratio of (i) the Calvino Projected NRI under the Calvino Core Lease Agreements to (ii) the Calvino Allocated Loan Amount.

"**Calvino Core Lease Agreement**" mean the lease agreements related to the Calvino Properties located in Rome, Milan, Assago Milano Fiori and Ivrea (as applicable) which satisfy both conditions (a) and (b) below:

(a) have, in aggregate, a weighted average unexpired lease terms of not less than five years (weighted by gross rental income) after the Loan Payment Date falling immediately after 31 July 2017; and

(b) have, in aggregate, a Calvino Core Debt Yield not less than 9 per cent.

"**Calvino Debt Yield**" means in respect of the any Calvino Test Date, the lower of:

(a) the ratio of Calvino LTM NRI to the Calvino Loan on such Calvino Test Date; and

(b) the ratio of Calvino Projected NRI to the Calvino Loan on such Calvino Test Date.

"**Calvino Depository Bank**" means Société Générale, Milan Branch, or any other bank appointed as depository bank of the Calvino Borrower pursuant to its fund regulation having the Requisite Rating.

"**Calvino Excluded Recovery Proceeds**" means any proceeds of a Calvino Recovery Claim which the Calvino SGR notifies the Calvino Facility Agent are, or are to be, applied:

(a) to satisfy (or reimburse the Calvino Borrower which has discharged) any liability, charge or claim upon the Calvino Borrower by a person which is not an affiliate of the Calvino Borrower; or

(b) in the replacement, reinstatement and/or repair of assets of the Calvino Borrower which have been lost, destroyed or damaged,

in each case as a result of the events or circumstances giving rise to that Calvino Recovery Claim, if those proceeds are so applied as soon as possible (but in any event within six months, or such longer period as the Calvino Lender may agree) after receipt.

"**Calvino Hedge Counterparty**" means Merrill Lynch International.

"**Calvino Hedging Agreements**" means any master agreement, confirmation, transaction, schedule or other agreement entered into on or to be entered into by the Calvino Borrower for the purpose of hedging interest payable under the Calvino Loan Agreement.

"**Calvino Insurance Prepayment Proceeds**" means any proceeds of insurances, other than those received under insurances covering losses for rent and third parties liabilities.

"**Calvino Lender**" means the Originator and with regard to the exercise of the rights related to the Receivables, Issuer and any other person which is a party to the Calvino Loan Agreement as lender.

"**Calvino Loan First Utilisation Date**" means 31 July 2014.

"**Calvino Market Value**" means in respect of a Calvino Property, the market value of such a Property appraised in the most recent Valuation in compliance with the definition of "**Market Value**" settled by the International Valuation Standards Committee and referred to in the Red Book published by the Royal Institution of Chartered Surveyors (London, England) or its successors.

"**Calvino Missing Items**" means certain authorisations, licenses, permits or pending issues relating to the Calvino Properties which were not delivered or resolved at the time of signing the Calvino Loan Agreement, including, *inter alia*:

(a) adequate documental evidence of the full compliance of certain Calvino Properties and of their current use destination with all planning and building laws and regulations in force;

(b) copy of missing valid and effective fit-for-use certificate(s) issued for certain Calvino Properties or, alternatively, filing of the relevant request for the issuance of a new and updated fit-for-use certificate;

(c) evidence of the lawfulness of the change of use destination for certain Calvino properties, as well as of the payment to the competent Public Authorities of all the relevant costs necessary to execute such change;

(d) information regarding the follow-up and the outcome of the pending procedures for building amnesties; and

(e) copy of the valid and effective fire prevention certificate issued for certain Calvino Properties;

(f) assessment that from an environmental standpoint the hydrocarbons pollution that occurred within the perimeter of certain properties is compatible with the environmental laws and regulation in force;

(g) monitoring activities with respect to the presence of asbestos located in certain Properties, and information on the related outcomes;

(h) actions to be carried out for environmental compliance described in the "*Recommended Actions*" chart of the technical due diligence report drafted by Tecno Habitat on May 2014 (e.g.: actions relating to asbestos, GHG emissions ODS – Ozone Depleting Substances. emissions, water, storage tanks, pathogens, electromagnetic fields etc.).

"**Calvino Permitted Expenses**" means, in respect of the Calvino Loan:

(a) any tax, including VAT, and charges related to the Calvino Properties;

(b) any insurance premia under the insurances and any insurance indemnity received in connection with an insurance covering third parties liability to be paid to the relevant indemnified party;

(c) the operating costs of the Calvino SGR due and payable relating to the ordinary activity and management of the Properties, including a pro-rata amount (based on the ratio of the Calvino Market Value of the Calvino Properties over the market value of all real estate investments owned by the Calvino Borrower) of the Calvino Borrower's overhead expenses and the Calvino SGR management fees, the property management fees and the Calvino Depository Bank's fees (in this regard see "*—The Calvino Loan Summary—SGR's fees at the Charge of the Calvino Fund*" here below);

(d) any fee due to the Calvino Asset Manager, if any, pursuant to the asset management agreement, if any, in any case up to an amount not exceeding the amount of the Calvino SGR management fees; and

(e) all corporate and set-up Calvino Borrower costs in any case up to an amount not exceeding €200,000.00.

"**Calvino Property**" means each of the properties listed in the definition of Calvino Allocated Loan Amount under "*—The Calvino Loan Summary—Property Disposals*" herein.

"**Calvino Recovery Prepayment Proceeds**" means the proceeds of a claim (a "**Calvino Recovery Claim**") against:

(a) the vendor of a Calvino Property (or any employee, officer or adviser) pursuant to the sale agreements; or

(b) the provider of any report on a Calvino Property or the provider of any other due diligence report (in its capacity as provider of the same) in connection with the acquisition, development, financing or refinancing of any Calvino Property,

except for Calvino Excluded Recovery Proceeds, and after deducting:

(A) any reasonable expenses incurred by the Calvino Borrower to a person who is not affiliate of the Calvino Borrower;

(B) any Tax incurred and required to be paid by the Calvino Borrower (as reasonably determined by the same on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that Calvino Recovery Claim.

"**Calvino Relevant Default**" means one of a smaller class of Calvino Loan Events of Default (relating to non-payment, the financial covenants, breach of certain specified covenants, cross default, insolvency or insolvency proceedings) which would with the expiry of a grace period, the giving of notice or the making of any determination under the Loan Finance Documents be a Loan Event of Default.

"**Calvino Target Loan Amount**" means, at any time the applicable amount set out in the table below:

Period (BoP)	Period (EoP)	Calvino Target Loan Amount
7 February 2015	7 May 2015	€101,500,000.00
7 May 2015	7 August 2015	€101,500,000.00
7 August 2015	7 November 2015	€101,500,000.00
7 November 2015	7 February 2016	€101,500,000.00
7 February 2016	7 May 2016	€101,500,000.00
7 May 2016	7 August 2016	€101,500,000.00
7 August 2016	7 November 2016	€79,020,000.00
7 November 2016	7 February 2017	€79,020,000.00
7 February 2017	7 May 2017	€79,020,000.00
7 May 2017	7 August 2017	€64,251,000.00
7 August 2017	7 November 2017	€34,000,000.00
7 November 2017	7 February 2018	€34,000,000.00
7 February 2018	7 May 2018	€34,000,000.00
7 May 2018	7 August 2018	€30,909,000.00
7 August 2018	7 November 2018	€24,275,000.00
7 November 2018	7 February 2019	€24,275,000.00
7 February 2019	7 May 2019	€24,275,000.00
7 May 2019	7 August 2019	€24,275,000.00
7 August 2019	7 November 2019	€0

"**Calvino Updated Valuation**" means, in respect of Calvino Loan, the annual update valuation report prepared and issued by the valuer, addressed (with reliance) to the related Loan Finance Parties and delivered to the Calvino Facility Agent.

"**Duty of Care Agreement**" means any of the Globe Duty of Care Agreement or the Fashion District Duty of Care Agreement.

"**ERV**" means, with respect to any Property, the valuer's estimate of the rent that could be achieved on such Property given the current market conditions.

"**Fashion District Acquisition Closing Date**" means 18 November 2014, the date on which completion of the acquisition of the Fashion District Properties and the shares of the Fashion District Targets takes place.

"**Fashion District Asset Manager**" means Kryalos Asset Management S.r.l.

"**Fashion District Blocked Account**" means each Fashion District Control Account and the Fashion District Securities Account.

"**Fashion District Cash Trap Event**" means, on any Loan Payment Date, the Fashion District DSCR is less than 1.45:1.

"**Fashion District Corporate Expenses**" means, in relation to each Fashion District Obligor, all corporate operating expenditure of those entities (in each case, only to the extent such expenditure does not constitute Fashion District Service Charge Expenses or Fashion District Irrecoverable Service Charge Expenses)

including, without limitation, audit and accountancy, legal, registration, trustee, manager, tax advisers and domiciliation fees and expenses and expenditure relating to advertising, marketing, payroll and related taxes, computer processing charges, operational equipment and other finance lease payments.

"**Fashion District Depositary Bank**" means each entity acting as depositary bank (*banca depositaria*) of the Fashion District REIF from time to time and being as at the date hereof CACEIS Bank Luxembourg, Milan Branch.

"**Fashion District Disposal Proceeds**" means the consideration receivable by any member of the Fashion District Group (including any amount receivable in repayment of intercompany debt) for any disposal made by any member of the Fashion District Group after deducting:

(a) any reasonable fees, costs and expenses which are incurred by any member of the Fashion District Group with respect to that disposal to persons who are not members of the Fashion District Group, Fashion District Investors or affiliates of the Fashion District Investor; and

(b) any Tax incurred and required to be paid by any member of the Fashion District Group in connection with that disposal (as reasonably determined by the Fashion District Company, on the basis of existing rates and taking account of any available credit, deduction or allowance).

"**Fashion District Escrow Account**" means the escrow account opened and maintained in the name of the seller of the Fashion District Properties and Fashion District Targets and the Fashion District Borrower with the Fashion District Depositary Bank (or such other bank selected by the vendor of the Fashion District Properties and the Borrower).

"**Fashion District Excluded Disposal Proceeds**" means, in respect of a Fashion District Permitted Property Disposal, an amount equal to the amount of the Fashion District Disposal Proceeds received by the Fashion District Borrower for that Fashion District Permitted Property Disposal minus the amount of Fashion District Permitted Property Disposal Prepayment Proceeds for that Fashion District Permitted Property Disposal.

"**Fashion District Excluded Expropriation Proceeds**" means the amount of any Fashion District Disposal Proceeds received by the Fashion District Borrower pursuant to any Fashion District Expropriation which are in excess of either:

(a) if the whole of a Fashion District Property is the subject of that Fashion District Expropriation, the Fashion District Release Price for the Fashion District Property the subject of that expropriation; and/or

(b) if part of a Fashion District Property is the subject of that Fashion District Expropriation, an amount equal to the Fashion District Partial Expropriation Release Price in relation to that Fashion District Expropriation.

"**Fashion District Excluded Insurance Proceeds**" means, in respect of the Fashion District Loan:

(a) any proceeds of insurance claims of up to €50,000 per annum;

(b) any proceeds of an insurance claim which the Fashion District Company or the Fashion District Borrower notifies the Fashion District Facility Agent are, or are to be, applied as soon as possible (but in any event within 12 months after receipt or 24 months after receipt provided that such proceeds are contractually committed to be applied no later than 12 months after receipt):

(i) to meet a third party claim; and/or

(ii) to cover operating losses or loss of rent in respect of which the relevant insurance claim was made; and/or

(iii) to replace, reinstate and/or repair the relevant assets or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made.

"**Fashion District Excluded Recovery Proceeds**" means (i) any proceeds of a Fashion District Recovery Claim in respect of the amounts due to the Fashion District Borrower pursuant to the acquisition agreement (excluding any amounts payable under the escrow agreement), and (ii) any proceeds of a Fashion District Recovery Claim which the Fashion District Company or the Fashion District Borrower notifies the Fashion

District Facility Agent are, or are to be, applied as soon as possible (but in any event within 12 months after receipt or 24 months after receipt provided that such proceeds are contractually committed to be applied no later than 12 months after receipt):

(a) to satisfy (or reimburse a member of the Fashion District Group which has discharged) any liability, charge or claim upon a member of the Fashion District Group by a person which is not a member of the Fashion District Group (other than any affiliate of the Fashion District Investor); and/or

(b) in the replacement, reinstatement and/or repair of assets or property of members of the Fashion District Group which have been lost, destroyed or damaged,

in each case in relation to that Fashion District Recovery Claim.

"**Fashion District Existing Account**" means each bank account of a Fashion District Target which was in existence immediately prior to the Fashion District Acquisition Closing Date.

"**Fashion District Expropriation**" means the compulsory purchase or other nationalisation or other expropriation of any party of any Fashion District Property.

"**Fashion District Expropriation Proceeds**" means the Fashion District Disposal Proceeds received by the Fashion District Borrower pursuant to any Fashion District Expropriation except for any Fashion District Excluded Expropriation Proceeds.

"**Fashion District Group**" means the Fashion District Company, the Fashion District REIF and Fashion District Holdco and each of their respective subsidiaries from time to time.

"**Fashion District Guarantor**" means the Fashion District Company, the Fashion District Holdco and each Fashion District Target upon it becoming a guarantor under the Fashion District Loan Agreement.

"**Fashion District Hedge Counterparty**" means Merrill Lynch International.

"**Fashion District Hedging Agreements**" means any master agreement, confirmation, transaction, schedule or other agreement entered into on or to be entered into by the Fashion District Borrower for the purpose of hedging interest payable under the Fashion District Loan Agreement.

"**Fashion District Initial Valuation**" means the Valuation dated on or about the date of this Fashion District Loan Agreement prepared by Cushman and Wakefield in relation to the Fashion District Properties and delivered on or prior to the utilisation date of the Fashion District Loan.

"**Fashion District Insurance Proceeds**" means the proceeds of any insurance claim received by any member of the Fashion District Group except for Fashion District Excluded Insurance Proceeds and after deducting any reasonable fees, costs and expenses in relation to that claim which are incurred by any member of the Fashion District Group to persons who are not members of the Fashion District Group, Fashion District Investors or affiliates of the Fashion District Investors.

"**Fashion District Irrecoverable Service Charge Expenses**" means any amount (including any VAT paid in respect thereof):

(a) in respect of any management, maintenance, insurance, repair or similar expense (including marketing expenses) or in respect of the provision of services relating to any Fashion District Property to the extent that such amount is not recoverable from a tenant; or

(b) which any Fashion District Obligor is obliged to discharge in respect of any unlet part of any Fashion District Property or in respect of any shortfall in Fashion District Service Charge Proceeds,

other than, in each case, any amount (i) which is funded by a Fashion District Obligor from a Fashion District General Account, (ii) any amount in respect of asset management fees or any corporation or other tax on income or profits or (iii) any amount that is recoverable under any insurance policy.

"**Fashion District Lender**" means the Originator and with regard to the exercise of the rights related to the Receivables, the Issuer and any other person which is a party to the Fashion District Loan Agreement as lender.

"**Fashion District Letter of Credit**" means a letter of credit addressed to the Fashion District Facility Agent from a person with a Requisite Rating, which has an initial expiry date falling at least 12 months after its issue date, is irrevocable prior to its specified expiry date, can be drawn by the Fashion District Facility Agent on demand and which is renewed at least three months prior to its then current specified expiry date.

"**Fashion District Loan Utilisation Date**" means 18 November 2014.

"**Fashion District Managing Agent**" means:

(a) Fashion District Group S.p.A.;

(b) Added Value Management Srl or any of its affiliates;

(c) any affiliate of the Fashion District Investor whose business is or includes acting as a property manager or managing agent of properties; and/or

(d) any person as may be agreed from time to time between the Fashion District Borrower and the Lender (acting reasonably).

"**Fashion District Mantova Outlet**" means the shopping centre, composed by several retail units, located in Bagnolo San Vito, Mantova, Italy.

"**Fashion District Mantova Target**" means Fashion District Mantova S.r.l.

"**Fashion District Master Lease**" means each of the leases granted by the Fashion District Borrower to the Fashion District Targets.

"**Fashion District Molfetta Outlet**" means the shopping centre, composed by several retail units, located in Molfetta, Bari, Italy.

"**Fashion District Molfetta Target**" means Fashion District Molfetta S.r.l.

"**Fashion District Obligor**" means the Fashion District Borrower or a Fashion District Guarantor.

"**Fashion District Partial Expropriation Release Price**" means, in relation to the Fashion District Loan, if only part of a Property is the subject of a Fashion District Expropriation, an amount equal to the product of:

(a) the Fashion District Release Price for that Fashion District Property divided by the value of that Property as shown in the Fashion District Initial Valuation; and

(b) the reduction in the value of that Fashion District Property as a result of such Fashion District Expropriation (as shown in the Fashion District Valuation commissioned in respect of that Fashion District Property as a result of such Fashion District Expropriation).

"**Fashion District Permitted Letting Activity**" means any Fashion District Letting Activity which is:

(a) contracted on arm's length terms provided that no Loan Event of Default is continuing or would result from the proposed Fashion District Letting Activity;

(b) made in accordance with the terms of any agreement for lease or occupational lease provided that such agreement for lease or occupational lease is allowed to subsist or has been entered into in accordance with the terms of the Fashion District Loan Agreement or has been entered into by the seller of the Fashion District Properties and Fashion District Targets prior to the Fashion District Acquisition Closing Date;

(c) the grant (whether by grant of rights, lease, licence or otherwise) of rights of occupation and/or use in respect of any car parking spaces within or upon any of the Properties;

(d) made with the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed);

(e) an acceptance of, or agreement to, any Fashion District Letting Activity required to be given pursuant to applicable law; or

(f) the exercise by the relevant Fashion District Obligor of any right to forfeit or exercise any right of re-entry in respect of, or exercise any option or power to break or determine, any occupational lease in circumstances where the tenant of the relevant occupational lease is in breach of its obligations under the relevant occupational lease to pay rent or is otherwise insolvent.

"**Fashion District Property**" means each of the Fashion District Mantova Outlet and the Fashion District Molfetta Outlet.

"**Fashion District Recovery Claim**" has the meaning given to such term in the definition of Fashion District Recovery Proceeds.

"**Fashion District Recovery Proceeds**" means, in respect of the Fashion District Loan, the proceeds of a Fashion District Recovery Claim against:

(a) a vendor of any of its affiliates (or any of their respective employees, officers or advisers) in relation to an acquisition document relating to the purchase of the Fashion District Properties and Fashion District Targets by the Fashion District Borrower;

(b) the provider of any report in respect of the purchase of the Fashion District Properties and Fashion District Targets by the Fashion District Borrower (in its capacity as a provider of that report);

(c) any counterparty to a construction contract or collateral warranty (in its capacity as counterparty to that construction contract or collateral warranty (as applicable)); or

(d) the Fashion District SGR by the Fashion District Holdco as unitholder in the Fashion District REIF (or any successor unitholder), with, or benefitting, a Fashion District Obligor except for Fashion District Excluded Recovery Proceeds, and after deducting:

(i) any reasonable fees, costs and expenses which are incurred by any member of the Fashion District Group to persons who are not members of the Fashion District Group, Fashion District Investors or affiliates of the Fashion District Investors; and

(ii) any Tax incurred, and required to be paid by a member of the Fashion District Group (on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case, in relation to that Fashion District Recovery Claim.

"**Fashion District REIF**" means the closed-end real estate speculative investment fund reserved to qualified investors (*fondo comune di investimento immobiliare speculativo di tipo chiuso riservato a investitori qualificati*) named "**MOMA**".

"**Fashion District Rent Deposit Account**" means any account in which the Fashion District Borrower or a Fashion District Target has an interest which is solely maintained for the purpose of holding rent deposits in respect of occupational leases.

"**Fashion District Securities Account**" means the securities account of the Fashion District Holdco and includes the interests of Fashion District Holdco in any replacement account or sub-division or sub-account of that account.

"**Fashion District Service Charge Expenses**" means, with respect to the Fashion District Properties (in each case, including any VAT paid in respect thereof):

(a) any expense or liability incurred by a tenant under an occupational lease:

(i) by way of reimbursement of expenses incurred, or on account of expenses to be incurred, by or on behalf of the Fashion District Borrower in the management, maintenance and repair or similar obligation of, or the provision of services specified in that occupational lease in respect of, a Fashion District Property, the payment of insurance premiums for that Property and the payment or reimbursement of marketing expenses in respect of that Fashion District Property; or

(ii) to, or for expenses incurred by or on behalf of, the Fashion District Borrower for a breach of covenant where such amount is or is to be applied by the Fashion District Borrower in remedying such breach or discharging such expenses;

(b) any contribution to a sinking fund paid by a tenant under its occupational lease; and

(c) any contribution paid by a tenant to ground rent due under any lease out of which the Fashion District Borrower derives its interest in the relevant Property (other than ground rent due under an intra-group lease).

"**Fashion District Service Charge Proceeds**" means any payment for Fashion District Service Charge Expenses.

"**Fashion District SGR**" means each entity acting as management company (*società di gestione del risparmio*) of the Fashion District REIF from time to time in accordance with the fund's regulations and/or any applicable law, at the date hereof being, IDeA FIMIT Società di Gestione del Risparmio S.p.A.

"**Fashion District Target**" means the Fashion District Mantova Target or the Fashion District Molfetta Target.

"**Fashion District Valuation**" means, with respect to the Fashion District Properties;

(a) the Initial Valuation; and

(b) any subsequent Valuation.

"**First Utilisation Date**" means any of the Globe Loan First Utilisation Date, the Calvino Loan First Utilisation Date or the Fashion District Loan Utilisation Date.

"**Globe Asset Manager**" means Forum Real Estate Management S.r.l. or any other asset manager appointed by the Globe Company.

"**Globe Business Plan**" means the projected cash flow, income and expenses relating to the Globe Properties in the form provided at origination of the Globe Loan.

"**Globe Cash Trap Event**" means the occurrence of any of the following events, which is continuing:

(a) the Globe Debt Service Cover Ratio being less than 1.65x at any relevant Globe Test Date, until the Globe Debt Service Cover Ratio is equal to or higher than 1.65x for two following consecutive relevant Globe Test Dates;

(b) the Globe Loan to Value being greater than 65 per cent. at any relevant Globe Test Date until the Globe Loan to Value is equal to or lower than 65 per cent.; and/or

(c) a Loan Default being outstanding.

"**Globe ComCo**" means Globe Fiume Veneto ComCo, Globe Monfalcone ComCo and/or Globe Palladio Commerciale ComCo, as the case maybe.

"**Globe Company**" means Orion IV European 31 S.à. r.l., a *société à responsabilité limitée* incorporated according to the laws of the Grand Duchy of Luxembourg.

"**Globe Compensation Prepayment Proceeds**" means the proceeds of all compensation and damages for the compulsory purchase of, or any blight or disturbance affecting, any Globe Property after deducting:

(a) any reasonable expenses incurred by the relevant Globe Obligor to a person which is not a Globe Obligor or an affiliate of a Globe Obligor; and

(b) any tax incurred and required to be paid by a Globe Obligor (as reasonably determined by that Globe Obligor on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that compensation.

"**Globe Debt Service Level**" means an amount equal to the aggregate amount of all interest, scheduled amortisation, mandatory prepayment and fees due and payable under the Globe Loan Agreement at any time until the immediately following Loan Payment Date.

"**Globe Dima Borrower**" means Dima S.r.l., a company incorporated under the laws of Italy, in its capacity as a borrower under the Globe Loan.

"**Globe Disposal Proceeds**" means the gross proceeds of any disposal of a Globe Property or participation in a Globe Borrower less an amount agreed between the Globe Facility Agent and the Globe Company as the costs and expenses, in each case if reasonably incurred, and taxes (including capital gain tax) associated with that disposal.

"**Globe Disposal Proceeds Surplus**" means the difference, if positive, between the Globe Disposal Proceeds and the Globe Relevant Amount.

"**Globe Duty of Care Agreement**" means a duty of care agreement entered into or to be entered into in an agreed form by a Globe Property Manager or a Globe Asset Manager, the relevant Globe Obligors and the Globe Security Agent.

"**Globe Excluded Recovery Proceeds**" means any proceeds of a Globe Recovery Claim which the Globe Company notifies the Globe Facility Agent are, or are to be, applied:

(a) to satisfy (or reimburse a Globe Obligor which has discharged) any liability, charge or claim upon a Globe Obligor by a person which is not a Globe Obligor or an affiliate of a Globe Obligor; or

(b) in the replacement, reinstatement and/or repair of assets of a Globe Obligor which have been lost, destroyed or damaged,

in each case as a result of the events or circumstances giving rise to that Globe Recovery Claim, if those proceeds are so applied as soon as possible (but in any event within 120 days, or such longer period as the Lender may agree) after receipt.

"**Globe Falcone Borrower**" means Falcone Immobiliare S.r.l., a company incorporated under the laws of Italy, in its capacity as a borrower under the Globe Loan.

"**Globe Fiume Veneto ComCo**" means Fiume Veneto S.r.l., a company incorporated under the laws of Italy.

"**Globe Free Cash**" means any amount standing to the credit of, respectively, the Globe Company General Account, any of the Globe Borrower General Accounts, the Globe ComCo General Accounts or the Globe LuxCo General Account after the Globe Company having provided copy of the statement account evidencing that the amounts standing to the credit of the Globe Debt Service Account are equal to or higher than the relevant Globe Debt Service Level.

"**Globe Guarantor**" means the Globe Company, Globe LuxCo 18, Globe LuxCo 20, Globe LuxCo 9, Globe Fiume Veneto ComCo, Globe Monfalcone ComCo, Globe Palladio Commerciale ComCo and each Globe Borrower.

"**Globe Hedge Counterparty**" means Commonwealth Bank of Australia and any replacement hedge counterparty.

"**Globe Hedging Agreement**" means any master agreement, confirmation, transaction, schedule or other agreement entered into on or to be entered into by the Globe Borrower for the purpose of hedging interest payable under the Globe Loan Agreement.

"**Globe Hedging Prepayment Proceeds**" means any amount payable to a Globe Borrower as a result of termination or closing out under a Globe Hedging Agreement.

"**Globe Individual Loan**" means each loan made under the Globe Loan Agreement.

"**Globe Insurance Prepayment Proceeds**" means any proceeds of insurances required to be paid into the Globe Company General Account.

"**Globe Investor**" means Orion European Real Estate Fund IV, C.V., a limited partnership (*commanditaire vennootschap*) governed by the laws of The Netherlands.

"**Globe Lease Prepayment Proceeds**" means any premium or other amount paid to a Globe Borrower in respect of any agreement to amend, supplement, extend, waive, surrender or release a lease document.

"**Globe Lender**" means the Originator and with regard to the exercise of the rights related to the Receivables, the Issuer and any other person which is a party to the Globe Loan Agreement as lender.

"**Globe LuxCo**" means jointly Globe LuxCo 18, Globe LuxCo 20 and Globe LuxCo 9.

"**Globe LuxCo 9**" means Orion IV European 9 S.à r.l., a *société à responsabilité limitée* incorporated according to the laws of the Grand Duchy of Luxembourg.

"**Globe LuxCo 18**" means Orion IV European 18 S.à r.l., a *société à responsabilité limitée* incorporated according to the laws of the Grand Duchy of Luxembourg.

"**Globe LuxCo 20**" means Orion IV European 20 S.à r.l., a *société à responsabilité limitée* incorporated according to the laws of the Grand Duchy of Luxembourg.

"**Globe LuxCo Master**" means Orion Master IV Luxembourg S.à r.l. a *société à responsabilité limitée* incorporated according to the laws of the Grand Duchy of Luxembourg.

"**Globe Monfalcone ComCo**" means Monfalcone S.r.l., a company incorporated under the laws of Italy.

"**Globe Obligor**" means a Globe Guarantor or a Globe Borrower.

"**Globe Palladio Commerciale ComCo**" means Palladio Commerciale S.r.l., a company incorporated under the laws of Italy.

"**Globe Palladio Immobiliare Borrower**" means Palladio Immobiliare S.r.l., a company incorporated under the laws of Italy.

"**Globe Projected Amortisation**" means the sum of all scheduled amortisation due and payable under the Globe Loan Agreement during the 12-month period commencing on the relevant Globe Test Date.

"**Globe Property**" means each of the properties identified in the table below:

Property Name	Address of Property
Fiume Veneto	Via Maestri del Lavoro, 42 33080 Fiume Veneto, Pordenone, Italy
Monfalcone	Via F. Pocar, Monfalcone, Italy
Centro Commerciale Palladio	Via Scolari, 36100 Vicenza, Italy

"**Globe Recovery Prepayment Proceeds**" means the proceeds of a claim (a "**Globe Recovery Claim**") against:

(a) the vendor of any Globe Property and/or the Globe Fiume Veneto ComCo or any of its affiliates; or

(b) the provider of any report or the provider of any other due diligence report (in its capacity as provider of the same) in connection with the acquisition, development, financing or refinancing of any Globe Property,

except for Globe Excluded Recovery Proceeds, and after deducting:

(i) any reasonable expenses incurred by a Globe Obligor to a person who is not a Globe Obligor or affiliate of a Globe Obligor;

(ii) any tax incurred and required to be paid by a Globe Obligor (as reasonably determined by that Globe Obligor on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that Globe Recovery Claim.

"**Globe Subordination Agreement**" means a subordination agreement entered into or to be entered into by a subordinated creditor, a Globe Obligor and the Globe Security Agent.

"**Globe Tenant Recoverables**" means any amount paid or payable to a Globe Obligor by any tenant under a lease document or any other occupier of a Globe Property, by way of:

(a) contribution to:

(i) ground rent;

(ii) insurance premia;

(iii) the cost of an insurance valuation;

(iv) a service or other charge in respect of an Globe Obligor's costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, a Globe Property; or

(v) a reserve or sinking fund; or

(b) VAT.

"**Globe Test Date**" means:

(a) with reference to the Globe Debt Service Cover Ratio, each Loan Payment Date; and

(b) with reference to the Globe Loan to Value, the Loan Payment Date falling in February of each year, the first test date being the Loan Payment Date in February 2016.

"**Globe Transaction Obligor**" means a Globe Obligor, the Globe LuxCo Master, or a grantor of any security under a Loan Security Document.

"**Hedge Confirmation**" means any of the Globe Interest Rate Cap Confirmation, the Calvino Interest Rate Cap Confirmation or the Fashion District Interest Rate Cap Confirmation.

"**Hedge Counterparty**" means any of the Globe Hedge Counterparty, the Calvino Hedge Counterparty or the Fashion District Hedge Counterparty.

"**Initial Valuation**" means, in respect of a Loan, the Valuation of the Properties delivered as a condition precedent to the utilisation of the Loan.

"**Insurance Policies**" means the insurance policies entered into by each of the Borrowers in relation to each of their respective Properties.

"**Interpolated Loan Screen Rate**" means the rate which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the relevant Loan Interest Period; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds such Loan Interest Period,

each as of 11.00 a.m. (Central European Time) on the Quotation Day.

"**Lender**" means any of the Globe Lender, the Calvino Lender or the Fashion District Lender.

"**Loan Balance**" means, with respect to any Loan and as of any date of calculation, the principal amount outstanding for such Loan.

"**Loan Business Day**" means:

(a) with respect to the Globe Loan and Fashion District Loan, a day (other than a Saturday or Sunday) on which banks are open for general business in London, Milan and Luxembourg and which is a TARGET Day; and

(b) with respect to the Calvino Loan, a day (other than a Saturday or Sunday) on which banks are open for general business in Milan and which is a TARGET Day.

"**Loan Default**" means a Loan Event of Default which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Loan Finance Documents or any combination of any of the foregoing) be a Loan Event of Default.

"**Loan EURIBOR**" means:

(a) the applicable Loan Screen Rate;

(b) (if no Loan Screen Rate is available for the relevant Loan Interest Period) the applicable Interpolated Loan Screen Rate; or

(c) if:

(i) no Loan Screen Rate is available for the relevant Loan Interest Period; and

(ii) it is not possible to calculate an Interpolated Loan Screen Rate,

the Loan Reference Bank Rate,

as of, in the case of paragraphs (a) and (c) above, as of 11.00 a.m. (Central European Time) on the Quotation Day for euro and for a period equal in length to the relevant Loan Interest Period (and, if such rate is below zero, Loan EURIBOR will be deemed to be zero).

"**Loan Event of Default**" means any of a Globe Loan Event of Default, a Calvino Loan Event of Default or a Fashion District Loan Event of Default.

"**Loan Finance Documents**" means:

(a) in respect of the Globe Loan: (i) the Globe Loan Agreement, (ii) each Loan Security Document, (iii) each Loan Hedging Agreement, (iv) any fee letter, (v) each compliance certificate delivered by the Globe Borrower, (vi) each transfer certificate and (vii) each disbursement deed and any other document designated as such by the Borrower Facility Agent and the Borrower;

(b) in respect of the Calvino Loan: (i) the Calvino Loan Agreement; (ii) each Loan Security Document, (iii) each Loan Hedging Agreement, (iv) any fee letter, (v) any hedge counterparty accession agreement, (vi) each compliance certificate, (vii) each transfer certificate, (viii) each disbursement deed and (ix) any other document designated as such by the Borrower Facility Agent and the Borrower; and

(c) in respect of the Fashion District Loan; (i) the Fashion District Loan Agreement, (ii) each fee letter relating to the same, (iii) the margin letter relating to the same, (iv) each Fashion District Duty of Care Agreement, (v) each transfer certificate, (vi) each assignment agreement, (vii) each utilisation request, (viii) each subordination agreement relating to intra-group debt, (ix) each subordinated creditor accession deed, (x) each debtor accession deed, (xi) each Loan Security Document, (xii) each side letter relating to the reports delivered pursuant to the Fashion District Loan Agreement and (xiii) each other document designated as such by the Borrower Facility Agent and the Fashion District Company.

"**Loan Finance Party**" means, with respect to any Loan, the parties identified as a finance party under the related Loan Agreement which generally consist of the Lenders, the Borrower Facility Agent, the Borrower Security Agent, the arranger and, for the Calvino Loan, the Calvino Hedge Counterparty.

"**Loan Hedging Agreements**" means:

(a) in respect of the Globe Loan, the Globe Hedging Agreements;

(b) in respect of the Calvino Loan, the Calvino Hedging Agreements; and

(c) in respect of the Fashion District Loan, the Fashion District Hedging Agreements.

"**Loan Hedging Counterparty**" means:

(a) in respect of the Globe Loan, the Globe Hedge Counterparty;

(b) in respect of the Calvino Loan, the Calvino Hedge Counterparty; and

(c) in respect of the Fashion District Loan, the Fashion District Hedge Counterparty.

"**Loan Hedging Prepayment Proceeds**" means, in respect of a Loan, any amount payable to the Borrower as a result of termination or closing out under a Hedging Agreement.

"**Loan Interest Period**" means, with respect to each Loan, each interest period for that Loan, which shall start on the date it is utilised or (if already made) on the relevant Loan Payment Date (included) and end on the immediately following relevant Loan Payment Date (excluded), the last Loan Interest Period for a Loan shall end on the relevant Loan Maturity Date.

"**Loan Margin**" means:

(a) in respect of the Globe Loan, 2.30 per cent. per annum;

(b) in respect of the Calvino Loan, 3.25 per cent. per annum; and

(c) in respect of the Fashion District Loan, 2.70 per cent. per annum.

"**Loan Material Adverse Effect**" means, generally with respect to each Loan, a material adverse effect on the consolidated business, property or financial condition of the related Borrower or Loan Obligor such that such Loan Obligor would be reasonably likely to be unable to perform its payment obligations under any of the Loan Finance Documents and/or its obligations to comply with the financial covenants, or the validity or enforceability of, or the effectiveness or ranking of any security granted or purported to be granted pursuant to any of, the Loan Finance Documents.

"**Loan Maturity Date**" means:

(a) in respect of the Globe Loan, the Globe Loan Maturity Date;

(b) in respect of the Calvino Loan, the Calvino Loan Maturity Date; and

(c) in respect of the Fashion District Loan, the Fashion District Loan Maturity Date.

"**Loan Obligor**" means, with respect to any Loan, a Borrower or any other obligor under the terms of the related Loan Finance Documents.

"**Loan Payment Date**" means:

(a) in respect of the Globe Loan, 15 February, 15 May, 15 August and 15 November in each year with the first Loan Payment Date being 15 February 2015; provided, however, any such day is not a Loan Business Day, the Loan Payment Date will instead be the next Loan Business Day in that calendar month (if there is one) or the preceding Loan Business Day (if there is not);

(b) in respect of the Calvino Loan, 7 February, 7 May, 7 August and 7 November in each year, with the first Loan Payment Date being 30 November 2014; provided, however, any such day is not a Loan Business Day, the Loan Payment Date will instead be the next Loan Business Day in that calendar month (if there is one) or the preceding Loan Business Day (if there is not); and

(c) in respect of the Fashion District Loan, 15 February, 15 May, 15 August and 15 November in each year, with the first Loan Payment Date being 15 February 2015; provided, however, any such day is not a Loan Business Day, the Loan Payment Date will instead be the next Loan Business Day in that calendar month (if there is one) or the preceding Loan Business Day (if there is not).

"**Loan Rating Agencies**" means Fitch Ratings Ltd. ("**Fitch**"), DBRS Ratings Limited ("**DBRS**"), Moody's Investor Service Limited ("**Moody's**", with regard to the Fashion District Loan), Moody's Investors Services, Inc. ("**Moody's Inc.**", with regard to the Calvino Loan), Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies Inc. ("**S&P**", with regard to the Calvino Loan) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("**S&P Inc.**", with regard to the Fashion District Loan) and any successors to their respective rating business.

S&P and Moody's are established in the European Union and are registered for the purpose of the Regulation (EU) No 1060/2009, as amended.

Neither Moody's Inc. nor S&P Inc. is established in the European Union or registered for the purpose of the CRA Regulation.

"**Loan Reference Bank**" means, with respect to any Loan, such banks as specified in the related Loan Agreement that can be referenced for the calculation of Loan EURIBOR under the terms of the related Loan Agreement.

"**Loan Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the relevant Borrower Facility Agent at its request by the relevant Loan Reference Banks as the rate at which the relevant Loan Reference Bank could borrow funds in the European interbank market (or in the London Interbank Market, as for the Fashion District Loan Agreement) in euro currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

"**Loan Screen Rate**" means the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR 01 of the Reuters screen (or any replacement Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Borrower Facility Agent may specify another page or service displaying the relevant rate after consultation with the Borrower (or with the Fashion District Company, as for the Fashion District Loan Agreement).

"**Loan Security Document**" means:

(a) in respect of the Globe Loan: (i) each deed of mortgage in relation to a Globe Property; (ii) each first ranking deed of pledge over bank accounts in respect of a Globe Obligor; (iii) each first ranking pledge in respect of the receivables arising each from, *inter alia*, any shareholders and/or intercompany loan; (iv) each deed of assignment by way of security of receivables under a Globe Hedging Agreement; (v) each deed of assignment by way of security of receivables under a lease relating to a Globe Property; (vi) each deed of assignment by way of security of other receivables relating to the Globe Properties; (vii) each first ranking deed of pledge over the shares of a Globe Obligor; (viii) any other document evidencing or creating security over any asset to secure any obligation of the Globe Obligors to a Loan Finance Party under the relevant Loan Finance Documents; or (ix) any other document designated as such by the Globe Security Agent, Globe Facility Agent and the Globe Company;

(b) in respect of the Calvino Loan: (i) each deed of mortgage in relation to a Calvino Property; (ii) the first ranking deed of pledge over the accounts of the Calvino Borrower; (iii) each deed of assignment by way of security of receivables under the sale agreements related to the Calvino Properties and the insurances related to such Calvino Properties; (iv) the deed of assignment by way of security of receivables under a Calvino Hedging Agreements; (v) each deed of assignment by way of security of receivables in relation to the rights arising from the lease documents related to each Calvino Property; (vi) any other document evidencing or creating security over any asset to secure any payment obligation of the Calvino Borrower to a Loan Finance Party under the relevant Loan Finance Documents; or (vii) any other document designated as such by the Calvino Security Agent and the Calvino Borrower; and

(c) in respect of the Fashion District Loan: (i) each deed of mortgage in relation to a Fashion District Property; (ii) the first ranking account pledges in respect of each Fashion District Control Account located in Luxembourg; (iii) the first ranking share pledge in respect of the shares in the Fashion District Holdco; (iii) the first ranking receivables pledge in respect of any subordinated loans to the Fashion District Holdco; (iv) a first ranking pledge over the units of the Fashion District REIF; (vi)

the first ranking receivables pledge in respect of any subordinated loans to the Borrower; (vii) the first ranking account pledge in respect of each Fashion District Control Account located in Italy; (viii) the deed of assignment by way of security of receivables under the acquisition agreement; (ix) the deed of assignment by way of security of receivables under the Fashion District Hedging Agreements and insurance policies; (x) the deed of assignment by way of security of receivables under the Fashion District Master Lease; (xi) a first ranking quota pledge in respect of quotas in each Fashion District Target; (xii) the deed of assignment by way of security of receivables under each occupational lease and under the trademark licence agreement; (xiii) a first ranking account pledge in respect of the Fashion District Existing Accounts; (xiv) the first ranking account pledge in respect of each Fashion District Control Account located in Italy; (xv) any other document entered into at any time by any Fashion District Obligor creating any guarantee, indemnity, security or other assurance against financial loss in favour of any of the Loan Finance Parties; (xvi) any security granted under any covenant for further assurance in any of those documents; (xvii) any other document evidencing or creating security over any asset to secure any payment obligation of the Fashion District Borrower to a the Lender or the Loan Finance Parties under the relevant Loan Finance Documents; or (xix) any other document designated as such by the Fashion District Security Agent and the Fashion District Borrower.

"**Loan Transaction Security**" means, in respect of a Loan the security created or evidenced or expressed to be created pursuant to a Loan Security Documents applicable to that Loan.

"**LTV Covenant**" means with respect to the Globe Loan 75 per cent., with respect to the Calvino Loan 75 per cent., with respect to the Fashion District Loan 80 per cent.

"**Market Value**" means, with respect to any Property, the market value of such Property as pursuant to the Initial Valuation, which was determined by the relevant valuer in compliance with the definition of "**Market Value**" referred to in the Red Book published by the Royal Institution of Chartered Surveyors (London, England).

"**Net Rental Income**" means:

(a) in respect of the Globe Loan, the Rental Income other than Globe Tenant Recoverables;

(b) in respect of the Calvino Loan, the Rental Income minus insurance premia (to the extent not payable directly by the tenant), any property irrecoverable costs (i.e., service charges shortfalls, any property operating costs and taxes not recoverable from the tenants), any operating expenses incurred by the Calvino Borrower in the ordinary activity and management of the Calvino Borrower, asset management fees and Calvino SGR management fees, without duplication, provided that for the purpose of this definition:

(i) a break clause under any lease document will be deemed to have been exercised at the earliest date available to the relevant tenant;

(ii) rent will only be taken into account where a documented, binding and unconditional lease exists;

(iii) for the purpose of Calvino Projected NRI, it is assumed that there will be no rental uplift on rent reviews (other than fixed rental uplifts or notified indexation);

(iv) rent receivable as follows will be ignored:

(A) from tenants in arrears/default for more than three months;

(B) projected as to be paid by the Calvino Borrower or an affiliate of the Calvino Borrower;

(C) projected as to be received from or representing the value of consideration given for the grant, surrender or variation of any lease; and

(D) relating to any extraordinary or non-recurring items the existence of which is known or anticipated at the time of calculation,

(v) rental income projected as not to be received due to the operation of any rent-free period and/or other incentives granted to any tenant shall be taken into account to reduce the gross rental income,

(vi) for the purpose of Calvino Projected NRI, best estimates of future property irrecoverable costs (including service charge shortfalls and other property operating expenses), operating expenses expected to be incurred by the Calvino Borrower in the ordinary activity and management of the Calvino Borrower, asset management fees (if applicable) and SGR management fees will be deducted; and

(c) in respect of the Fashion District Loan, Rental Income in respect of each Fashion District Property after deducting:

(i) all Fashion District Service Charge Proceeds in relation to each Fashion District Property;

(ii) any sum representing any VAT chargeable in respect of Rental Income;

(iii) all Fashion District Irrecoverable Service Charge Expenses in relation to each Fashion District Property to the extent withdrawn from all Fashion District Target General Account or from the all of the Fashion District Borrower Rental Income Account;

(iv) registration taxes;

(v) property taxes; and

(vi) rent collection fees.

"**Property**" means any of the Globe Properties, the Calvino Properties or the Fashion District Properties.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two TARGET Days before the first day of that period.

"**Rental Income**" means:

(a) in respect of the Globe Loan, the aggregate of all amounts paid or payable to or for the account of a Globe Borrower in connection with the letting, licence or grant of other rights of use or occupation of any part of a Globe Property, including each of the following amounts:

(i) rent, licence fees and equivalent amounts paid or payable;

(ii) any sum received from any deposit held as security for performance of a tenant's obligations;

(iii) any proceeds of insurance in respect of loss of rent or interest on rent;

(iv) receipts from or the value of consideration given for the grant, surrender or variation of any lease;

(v) any Globe Tenant Recoverable;

(vi) any sum paid by or distribution received or recovered from any guarantor of any occupational tenant under any lease document;

(vii) any sum paid in respect of a breach of covenant or dilapidations under any lease document and for expenses incurred in relation to any such breach;

(viii) interest, damages or compensation in respect of any of the items in the definition; and

(ix) any payment or other distribution received or recovered from a guarantor or other surety in respect of any of the items listed in this definition;

(b) in respect of the Calvino Loan, the aggregate of all amounts paid or payable to or for the account of the relevant Borrower in connection with the letting, licence or grant of other rights of use or occupation of any part of a Property, including each of the following amounts (without limitation and double counting):

(i) rents, licence fees and equivalent sums reserved or made payable;

(ii) sums received from any deposit held as security for performance of any tenant's obligations;

(iii) proceeds of insurance in respect of loss of rent or interest on rent;

(iv) receipts from or the value of consideration given for the grant, surrender or variation of any lease;

(v) any contribution by a tenant of the Property to rent or any other amounts due under any lease out of which the Borrower derives its interest in the Property;

(vi) any payment or other distribution received or recovered from a guarantor or other surety in respect of any leases;

(vii) payments made in respect of a breach of covenant or dilapidations under any lease in relation to the Property and for expenses incurred in relation to any such breach;

(viii) interest, damages or compensation in respect of any of the items in the definition;

(ix) any payment or other distribution received or recovered from a guarantor or other surety in respect of any of the items listed in this definition;

(x) any service charge proceeds;

(xi) any contribution to a sinking fund paid by an occupational tenant under an occupation lease; and

(xii) any amount in respect of or which represents VAT; and

(c) in respect of the Fashion District Loan:

(i) all sums paid or payable to or for the benefit of a Fashion District Target arising from the letting, use or occupation of all or any part of the Fashion District Properties, including (without limitation and without double counting):

(ii) sums received in respect of any car park;

(iii) rents (including any turnover rent), licence fees and equivalent sums reserved, paid or made payable;

(iv) any sums received or receivable from any deposit held as security for performance of any tenant's obligations;

(v) any other monies paid or payable in respect of occupation and/or usage of a Fashion District Property and any fixture and fitting on a Fashion District Property including any fixture on a Fashion District Property for display or advertisement, on licence or otherwise;

(vi) proceeds of insurance in respect of loss of rent or interest on rent;

(vii) any Fashion District Service Charge Proceeds;

(viii) payments made in respect of a breach of covenant or dilapidations under any occupational lease in relation to a Fashion District Property and for expenses incurred in relation to any such breach;

(ix) any receipts from or the value of consideration given for the surrender or variation of any occupational lease;

(x) interest, damages or compensation in respect of any of the items in this definition;

(xi) any payment from a guarantor or other surety in respect of any of the items listed in this definition;

(xii) any break payments that are payable following the actual exercise of any break option under any occupational lease and which are referable to that period; and

(xiii) any amount in respect of or which represents VAT in respect of any of the sums set out in paragraphs (ii) to (xii) above,

but, in each case, excluding, for the avoidance of doubt, any amount held or received as deposit or security under an occupational lease.

"**Requisite Rating**" means:

(a) with respect to the Globe Loan, as to the insurance companies, a long term senior unsecured rating of at least, A++ by A.M Best, A2 Neg by Moody's and/or A/Stable and/or AA by S&P, as to a hedge counterparty, a long term senior unsecured rating of at least (i) "A" by Fitch and (ii) "A" by S&P or "A2" by Moody's, and in any other cases, a long term senior unsecured rating of at least A (or by at least two of Moody's, S&P and Fitch);

(b) with respect to the Calvino Loan, a long-term, senior unsecured rating of at least single-A (or equivalent) by at least two of the Loan Rating Agencies and if rated by multiple Loan Rating Agencies an investment grade rating at all times from all Loan Rating Agencies rating the relevant entity or security; and

(c) with respect to the Fashion District Loan, means the rating for long or short term (as appropriate) unsecured debt instruments in issue by a person (which are neither subordinated nor guaranteed) which meet the following requirements:

(i) in relation to a bank or financial institution at which a Fashion District Control Account is held (provided that for the purposes of determining the Requisite Rating of an account bank, the ratings held by a holding company of such account bank shall be used), short term instruments with any two of the following ratings: F1 (or better) by Fitch, P-1 (or better) by Moody's or A-1 (or better) by S&P Inc.;

(ii) in relation to any insurance company or underwriter, long term instruments with one of the following ratings: A- (or better) by AM Best, A- (or better) by Fitch, A3 (or better) by Moody's or A- (or better) by S&P Inc.; and

(iii) in relation to a Fashion District Hedging Counterparty, long term instruments with one of the following ratings: BBB (or better) by Fitch, Baa3 (or better) by Moody's or BBB- (or better) by S&P Inc.

"**Savills Group**" means Savills PLC, a limited liability partnership incorporated under the law of England and Wales, with registered office at 33 Margaret Street, London W1G 0JD registered with the Companies Register number 2122174 and any of its subsidiaries.

"**SGR**" means:

(a) in respect of the Calvino Loan, the Calvino SGR; and

(b) in respect of the Fashion District Loan, the Fashion District SGR.

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

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

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Valuation**" (or "**Valuations**" as the case may be), means:

(a) in respect of the Globe Loan, a valuation prepared and issued by the valuer of the Globe Borrowers' interests in the portfolio of the Globe Properties, instructed by and delivered to the Globe Facility Agent, addressed (with reliance) to the Globe Facility Agent for the benefit of the Loan Finance Parties and prepared on the basis of the market value as that term is defined in the then current RICS Professional Standards Global – RICS Valuation Professional Standards incorporating the IVSC International Valuation Standards provided that the relevant valuer has underwritten professional indemnity insurance policies in respect of the Valuation for a minimum amount of €20,000,000;

(b) in respect of the Calvino Loan, the Initial Valuation and each Calvino Updated Valuation, in each case carried out in accordance with the then current principles, guidelines and definitions contained in the RICS Professional Standards Global – RICS Valuation Professional Standards incorporating the IVSC International Valuation Standards and delivered by the Calvino Borrower to the Calvino Facility Agent, addressed to, and capable of being relied upon by, the Loan Finance Parties and in relation to which the relevant valuer has underwritten professional indemnity insurance policies for negligence or wilful misconduct with the Calvino Borrower (together with the Loan Finance Parties as addressees and/or reliance parties of the relevant Valuation) as beneficiaries for a minimum amount of, in respect of the Calvino Loan, €5,000,000; and

(c) in respect of the Fashion District Loan, the Fashion District Initial Valuation and any subsequent valuation instructed by and in form and substance satisfactory to the Fashion District Facility Agent and addressed to, and/or capable of being relied upon by, amongst others, each Loan Finance Party, valuing the Fashion District Borrower's interests in each Fashion District Property then owned by it and which is carried out on a "market value" basis (as defined in the then current RICS Valuation – Professional Standards issued by the Royal Institution of Chartered Surveyors (or its successors)).

The Globe Borrowers

The full legal names of the Globe Borrowers are Dima S.r.l., Falcone Immobiliare S.r.l. and Palladio Immobiliare S.r.l. Each Globe Borrower is a limited liability corporation which is incorporated under the laws of the Republic of Italy.

The Globe Dima Borrower

The information in relation to the Globe Dima Borrower has been sourced from information provided by the Globe Dima Borrower. The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information provided by the Globe Dima Borrower, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Incorporation and Registered Office

The full legal name of the Globe Dima Borrower is Dima S.r.l.

The Globe Dima Borrower is a limited liability company incorporated under the laws of Italy on 29 September 2003, with registered office at Piazza Carlo Mirabello 2, 20121 Milan, Italy; registered with the companies' register of Milan, VAT No.08763920965. The Globe Dima Borrower's telephone number is +39 023037031.

Business Overview

The following are the key corporate purposes of the Globe Dima Borrower:

(a) real estate activity and development of investments directly or indirectly related to real estate properties;

(b) valorisation of real estate properties; and

(c) management and acquisition of malls, multiplexes and hotels as well as the supply of food and beverages and any commercial activity pertaining the retail and wholesale distribution.

Organisational Structure

The Globe Dima Borrower is wholly owned by, and to the direction and coordination of Globe LuxCo 9.

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Dima Borrower there are not specific limitations to the exercise of such control except for those arising from law. In particular, according to article 2497 of the Civil Code, if a controlling company that is acting in its own interest, or in the interest of third parties, mismanages the relevant controlled companies it shall be liable *vis-à-vis* the shareholders and creditors of such companies for the damages that ensue from such mismanagement; such liability is excluded if (i) the ensuing damage is fully eliminated through subsequent actions; or (ii) the damage

is off-set by the benefits deriving to the controlled company from the exercise of the direction and co-ordination powers.

Administrative, Management and Supervisory Bodies

Directors

The directors of The Globe Dima Borrower and their respective business addresses and their principal occupations are:

Name	Business Address	Principal Function
De Nervaux De Mezieres Olivier Maurice Henri	Boulevard de la Tour Maubourg 42, Paris, France	Chairman of the Board of Directors
Halligan Anthony Patrick	Cambridge Road West Wimbledon 43, London, United Kingdom	Board Member
Feifer Lisa Rochelle	Perrymead Street 27, London, United Kingdom	Board Member

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Dima Borrower there are no conflicts of interest between the private interests of the directors and their duties to the Globe Dima Borrower.

Major Shareholders

The Globe Dima Borrower is owned and controlled by Globe LuxCo 9.

Material Contracts

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Dima Borrower, apart from the Loan Finance Documents concerning the Globe Loan to which it is a party, the Globe Dima Borrower has not entered into any material contracts other than in the ordinary course of its business.

Legal and Arbitration Proceedings

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Dima Borrower, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the past 12 months a significant effect on the Globe Dima Borrower's financial position and profitability.

Financial Statements

The financial statements of the Globe Dima Borrower are not audited.

The Globe Falcone Borrower

The information in relation to the Globe Falcone Borrower has been sourced from information provided by the Globe Falcone Borrower. The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information provided by the Globe Falcone Borrower, no facts have been omitted which would render the reproduced information inaccurate or misleading,

Incorporation and Registered Office

The full legal name of Globe Falcone Borrower is Falcone Immobiliare S.r.l.

The Globe Falcone Borrower is a limited liability company incorporated under the Law of Italy on 8 September 2014, with registered office at Piazza Carlo Mirabello 2, 20121, Milan, Italy; registered with the companies' register of Milan, VAT No. 08763920965. The Globe Falcone Borrower's telephone number is +39 023037031.

Business Overview

The following are the key corporate purposes of the Globe Falcone Borrower:

(a) purchase, sale, exchange, lease and management of real estate properties, sites and buildings of any kind whatsoever; activities aimed at the reconversion, enlargement and ordinary and extraordinary maintenance of real estate properties and relevant plants; and

(b) real estate and asset management advisory, with the exception, in any case, of the management of property companies.

Organisational Structure

The Globe Falcone Borrower is wholly owned by, and to the direction and coordination of, Globe LuxCo 18.

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Falcone Borrower there are not specific limitations to the exercise of such control except for those arising from law. In particular, according to article 2497 of the Civil Code, if a controlling company that is acting in its own interest, or in the interest of third parties, mismanages the relevant controlled companies it shall be liable *vis-à-vis* the shareholders and creditors of such companies for the damages that ensue from such mismanagement; such liability is excluded if (i) the ensuing damage is fully eliminated through subsequent actions; or (ii) the damage is off-set by the benefits deriving to the controlled company from the exercise of the direction and co-ordination powers.

Administrative, Management and Supervisory Bodies

Directors

The directors of the Globe Falcone Borrower and their respective business addresses and their principal occupations are:

Name	Business Address	Principal Function
De Nervaux De Mezieres Olivier Maurice Henri	Boulevard de la Tour Maubourg 42, Paris, France	Chairman of the Board of Directors
Halligan Anthony Patrick	Cambridge Road West Wimbledon 43, London, United Kingdom	Board Member
Feifer Lisa Rochelle	Perrymead Street 27, London, United Kingdom	Board Member

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Falcone Borrower, there are no conflicts of interest between the private interests of the directors and their duties to the Globe Falcone Borrower.

Major Shareholders

The Globe Falcone Borrower is owned and controlled by Globe LuxCo 18.

Material Contracts

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Falcone Borrower, apart from the Loan Financial Documents concerning the Globe Loan to which it is a party, the Globe Falcone Borrower has not entered into any material contracts other than in the ordinary course of its business.

Legal and Arbitration Proceedings

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Falcone Borrower, there are no governmental, legal 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 Globe Falcone Borrower's financial position and profitability.

No Material Adverse Change

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Falcone Borrower, there has been no material adverse change in the prospects of the Globe Falcone Borrower since the date of its incorporation. There has been no significant change in the financial or trading position of the Globe Falcone Borrower since the date of its incorporation.

Financial Statements

The Globe Falcone Borrower has been constituted in September 2014 and therefore no financial statements have been issued as of the date of this Offering Circular.

The Globe Palladio Immobiliare Borrower

The information in relation to the Globe Palladio Immobiliare Borrower has been sourced from information provided by the Globe Palladio Immobiliare Borrower. The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information provided by the Globe Palladio Immobiliare Borrower, no facts have been omitted which would render the reproduced information inaccurate or misleading,

Incorporation and Registered Office

The full legal name of the Globe Palladio Immobiliare Borrower is Palladio Immobiliare S.r.l.

The Globe Palladio Immobiliare Borrower is a limited liability company incorporated under the Law of Italy on 8 September 2014, with registered office at Piazza Carlo Mirabello 2, 20121, Milan, Italy; registered with the companies' register of Milan, VAT No. 08763920967. The Globe Palladio Immobiliare Borrower's telephone number is +39 023037031.

Business Overview

The following are the key corporate purposes of the Globe Palladio Immobiliare Borrower:

(a) purchase, sale, exchange, lease and management of real estate properties, sites and buildings of any kind whatsoever; activities aimed at the reconversion, enlargement and ordinary and extraordinary maintenance of real estate properties and relevant plants; and

(b) real estate and asset management advisory, with the exception, in any case, of the management of property companies.

Organisational Structure

The Globe Palladio Immobiliare Borrower is wholly owned by, and subject to the direction and coordination of, Globe LuxCo 20.

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Palladio Immobiliare Borrower there are not specific limitations to the exercise of such control except for those arising from law. In particular, according to article 2497 of the Civil Code, if a controlling company that is acting in its own interest, or in the interest of third parties, mismanages the relevant controlled companies it shall be liable *vis-à-vis* the shareholders and creditors of such companies for the damages that ensue from such mismanagement; such liability is excluded if (i) the ensuing damage is fully eliminated through subsequent actions; or (ii) the damage is off-set by the benefits deriving to the controlled company from the exercise of the direction and co-ordination powers.

Administrative, Management and Supervisory Bodies

Directors

The directors of Globe Palladio Immobiliare Borrower and their respective business addresses and their principal occupations are:

Name	Business Address	Principal Function
De Nervaux De Mezieres Olivier Maurice Henri	Boulevard de la Tour Maubourg 42, Paris, France	Chairman of the Board of Directors
Halligan Anthony Patrick	Cambridge Road West Wimbledon 43, London, United Kingdom	Board Member
Feifer Lisa Rochelle	Perrymead Street 27, London, United Kingdom	Board Member

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Palladio Immobiliare Borrower, there are no conflicts of interest between the private interests of the directors and their duties to the Globe Palladio Immobiliare Borrower.

Major Shareholders

The Globe Palladio Immobiliare Borrower is owned and controlled by Globe LuxCo 20.

Material Contracts

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Palladio Immobiliare Borrower, apart from the Loan Finance Documents concerning the Globe Loan to which it is a party, Globe Palladio Immobiliare Borrower has not entered into any material contracts other than in the ordinary course of its business.

Legal and Arbitration Proceedings

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Palladio Immobiliare Borrower, there are no governmental, legal 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 Globe Palladio Immobiliare Borrower's financial position and profitability.

No Material Adverse Change

As far as the Issuer is aware and is able to ascertain from information provided by the Globe Palladio Immobiliare Borrower, there has been no material adverse change in the prospects of the Globe Palladio Immobiliare Borrower since the date of its incorporation. There has been no significant change in the financial or trading position of the Globe Palladio Immobiliare Borrower since the date of its incorporation.

Financial Statements

The Globe Palladio Immobiliare Borrower has been constituted in September 2014 and therefore no financial statements have been issued as of the date of this Offering Circular.

Globe ComCos

Each Globe ComCo is the sole beneficiary of the umbrella authorisations and the trade licences which are necessary for the use of, respectively, the going concern related to Globe Property named "*Fiume Veneto*" as for the Globe Fiume Veneto ComCo, the going concern related to Globe Property named "*Monfalcone*" as for the Globe Monfalcone ComCo and the going concern related to Globe Property named "*Centro Commerciale Palladio*" as for the Globe Palladio Commerciale ComCo. Each ComCo has also entered into with the relevant Globe Borrower a master lease agreement for the occupation of the pertaining Globe Property.

The Globe Loan Summary

Purpose of the Globe Loan

The term loan facility designated "Facility A" refinanced the indebtedness of the Globe Dima Borrower and was also applied towards the Globe Dima Borrower's general corporate purposes.

The term loan facilities designated "Facility B" and "Facility C" financed the acquisition of the Globe Properties and payment of fees, costs and expenses, stamp registration and other taxes, other than VAT, incurred in connection with the acquisition of the Globe Properties.

Interest

Interest on the Globe Loan will accrue during each Loan Interest Period at a per annum rate equal to Loan EURIBOR plus 2.30 per cent.

If a Loan Obligor under the Globe Loan fails to pay any amount payable by it under a Loan Finance Document on its due date, default interest will accrue on the overdue amount from the due date up to the actual date of payment at a rate equal to 2 per cent. per annum higher than the rate which interest on the Loan accrues, subject to the terms of the Loan Agreement.

Repayment and Prepayments of Principal

The Globe Borrowers are required to repay the Globe Loan in full on the Loan Payment Date falling in February 2020 (the "**Globe Loan Maturity Date**").

In addition, if on a Globe Test Date falling during the fourth year from the Globe Loan First Utilisation Date the Globe Loan to Value is higher than 55 per cent., on each Loan Payment Date falling between the fourth anniversary from the Globe Loan First Utilisation Date and the Globe Loan Maturity Date (included), the Globe Borrowers are required to repay in equal instalments on each Loan Payment Date the Globe Loan for an amount which reduces, in aggregate per annum, the outstanding Globe Loan by an amount equal to 1.50 per cent. of the Globe Loan originally borrowed by the Globe Borrowers on the Globe Loan First Utilisation Date.

If the Globe Loan is repaid in instalments as described in the paragraph above, the last instalment is required to be repaid on the Globe Loan Maturity Date and will be the balance of the outstanding Globe Loan.

Prepayment on Change of Control

If a change of control occurs, the Lender may require that the Globe Facility Agent, by not less than 30 Business Days' notice to the Globe Company and the Globe Borrowers, cancels the commitment under the Globe Loan and declares the Globe Loan, together with accrued interest, and all other amounts accrued under the relevant Loan Finance Documents immediately due and payable, whereupon all such amounts will become immediately due and payable.

In this section:

a "**change of control**" will occur if: (a) the Globe Investor ceases to control and/or hold, directly or indirectly, the 75 per cent. of the corporate capital of the Globe Company; and/or (b) the Globe Company ceases to hold directly the entire corporate capital of, respectively, Globe LuxCo 9, Globe LuxCo 18 and Globe LuxCo 20; and (c) Globe LuxCo 9 ceases to hold directly the entire corporate capital of the Globe Dima Borrower and Globe Fiume Veneto ComCo, Globe LuxCo18 ceases to hold directly the entire corporate capital of the Globe Falcone Borrower and the Globe Monfalcone ComCo and Globe LuxCo 20 ceases to hold directly the entire corporate capital of Globe Palladio Commerciale ComCo and Globe Palladio Immobiliare Borrower.

"**control**" means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (a) cast, or control the casting of the required majority of the maximum number of votes that might be cast at a general meeting of a company; (b) appoint or remove all, or the majority, of the directors or other equivalent officers of a company; or (c) give directions with respect to the operating and financial policies of a company with which the directors or other equivalent officers of a company are obliged to comply.

Other Mandatory Prepayments

Each Globe Obligor is required to apply the following amounts in prepayment of the Globe Loan:

(a) if a Globe Loan Event of Default or a Globe Cash Trap Event has occurred and is continuing, any Globe Rental Income Surplus and the Globe Disposal Proceeds Surplus;

(b) the Globe Relevant Amount;

(c) the amount of Globe Hedging Prepayment Proceeds;

(d) the amount of Globe Insurance Prepayment Proceeds;

(e) the amount of Globe Compensation Prepayment Proceeds;

(f) the amount of Globe Recovery Prepayment Proceeds; and

(g) the Globe Cure Amount paid into the Globe Debt Service Account for the purposes of curing a breach of the financial covenants.

Application of Mandatory Prepayments

The amount of the Globe Rental Income Surplus referred to in paragraph (a) of "*—Other Mandatory Prepayments*" above is required to be applied as follows:

(a) in or towards prepayment of the Globe Individual Loans *pro rata*;

(b) in or towards payment of prepayment fees and any other amount that is or will become due and payable as a result of those prepayments.

The Globe Relevant Amount referred to in paragraph (b) of "*—Other Mandatory Prepayments*" above is required to be applied as follows:

(a) first:

(i) in an amount equal to the Globe Release Amount of the Globe Property the subject of the relevant disposal: first, in or towards prepayment of the Globe Individual Loan made to the Globe Borrower that owned that Globe Property or whose shares have been disposed of; secondly, after prepayment of such Globe Individual Loan, in or towards prepayment of the other Globe Individual Loans *pro rata*; and

(ii) in or towards payment of prepayment fees and any other amount that is or will become due and payable as a result of those prepayments; and

(b) secondly as to the Globe Disposal Proceeds Surplus, in or towards payment into any Globe General Account, provided that no Globe Cash Trap Event is outstanding or if a Globe Cash Trap Event is outstanding then such amount shall be paid into the Globe Debt Service Account.

An amount referred to in paragraphs (c) to (f) of "*—Other Mandatory Prepayments*" above is required to be applied on the date provided as follows:

(a) in or towards:

(i) first, prepayment of the Globe Individual Loan made to the relevant Globe Borrower;

(ii) secondly, after prepayment of such Globe Individual Loan, prepayment of the other Globe Individual Loans *pro rata*; and

(b) in or towards payment of prepayment fees and any other amount that is or will become due and payable as a result of those prepayments.

For the purposes of the preceding paragraph, the relevant Globe Borrower is:

(a) insofar as the relevant amount to be applied in prepayment is derived from or relates to a Globe Borrower or the assets of a Globe Borrower, that Globe Borrower; and

(b) otherwise, *pro rata* between each Globe Individual Loan or as the Lender elects subject to the Globe Company's consent.

An amount referred to in paragraph (g) of "*—Other Mandatory Prepayments*" is required to be applied as follows:

(a) in or towards prepayment of the other Globe Individual Loans *pro rata*;

(b) in or towards payment of prepayment fees and any other amount that is or will become due and payable as a result of those prepayments.

Voluntary Prepayment of the Loan

A Globe Borrower may, if it gives the Globe Facility Agent not less than five Loan Business Days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of any Globe Individual Loan (but, if in part, being an amount that reduces the amount of the Globe Individual Loan by a minimum amount of €1,000,000 and integral multiples of €100,000).

Repayment Restrictions

Any prepayment of the Globe Loan is required to be made together with accrued interest on the amount prepaid and subject to any Break Costs (other than in case of prepayment made in the circumstances described under "*—Common Terms Relating to the Loans—Illegality*") and any prepayment and cancellation fees.

Fees

Prepayment Fee

The Globe Borrowers must pay a prepayment fee on the date of prepayment of all or any part of the Globe Loan, if such prepayment occurs on or before the relevant Loan Payment Date falling immediately after 24 November 2016.

The amount of the prepayment fee will be calculated from time to time as the net present value (to be calculated by the Globe Facility Agent using a discount rate equivalent to the treasury notes issued by the Republic of Italy with a maturity date equivalent to the remaining period until 27 November 2016) of the difference between:

(a) an amount equal to the Loan Margin calculated on the prepaid amount for a period of 2 years; and

(b) the aggregate amount of the Loan Margin paid on the prepaid amount on or before the relevant prepayment.

No prepayment fee shall be due (a) if the voluntary or mandatory prepayment occurs after 24 November 2016, (b) if the prepayment is made in the circumstances described under "*—Common Terms Relating to the Loans—Illegality*"), (c) if the prepayment is made in the circumstances described under paragraph (d) and (g) of "*—Other Mandatory Prepayments*", (d) if the prepayment is made where a Globe Borrower makes a prepayment in accordance with the provisions of the Globe Loan permitting a prepayment to avoid tax gross-up or increased cost payment or (e) if the prepayment is made following the acceleration of the Facilities in the circumstances described in "*—Common Terms Relating to the Loans—Acceleration*") .

Hedging Arrangements

The Globe Borrowers were required under the Globe Loan to enter into hedging agreements (the "**Globe Hedging Arrangements**") which meet the following requirements.

The hedging strategy which the Globe Borrowers were required to implement was set out in a hedging strategy letter which provided that: (a) the Globe Hedging Arrangements must ensure that at least 95 per cent. of the aggregate Loan Balance of the Globe Loan advanced on the Globe Loan First Utilisation Date is protected from interest rate risk exclusively through an interest rate cap; (b) the premium for the Globe Hedging Arrangement is fully paid upfront and at all times until the Globe Maturity Date; and (c) the Globe Hedging

Arrangements provide for a floating amount to be paid with a cap subject to a maximum strike not higher than (i) 2.5 per cent. per annum for the first four years and (ii) 3 per cent. per annum for the fifth year.

Pursuant to the terms of the hedging strategy which the Globe Borrowers were required to implement, the Globe Hedging Agreements must comply with either one of the following:

(a) The Globe Hedging Arrangements must be with a counterparty which is a primary bank or financial institution which has a rating of at least (i) "A" by Fitch, and (ii) "A" by S&P or "A2" by Moody's. The Globe Hedging Arrangements must provide that if the counterparty ceases to be a Globe Requisite Rating Hedge Counterparty then, within 30 Business Days of such downgrade it must post collateral with a value equal to 100 per cent. of the mark-to market value of the interest rate cap or, at its own expense, obtain a replacement counterparty which is rated by Fitch and qualifies as a Globe Requisite Rating Counterparty (a "**Globe Requisite Rating Hedge Counterparty**"); or

(b) The Globe Hedging Arrangements (a) must be with a counterparty which has a day-1 long term rating from Fitch of at least "A"; (b) must be in compliance with the criteria for notes rated "AA" in the "*Fitch Rating Counterparty Criteria for Structured Finance and Covered Bonds Derivative Addendum*" dated 30th May 2013; (c) must be with a counterparty which has a day-1 long term rating from DBRS of at least "A"; and (d) must be in compliance with the criteria for notes rated "AA" in the "DBRS Derivative Criteria for European Structured Finance Transactions" dated May 2013. If the counterparty is not rated by DBRS the rating from Fitch or S&P will be applied to the "DBRS Derivative Criteria for European Structured Finance Transactions" criteria for notes rated "AA".

The Globe Hedging Arrangements are required to be documented in an agreement based on a 2002 ISDA Master Agreement or any other equivalent master agreement and related cap confirmations. If, pursuant to the Globe Hedging Arrangements, an exchange of collateral is required as a result of the implementation of the European Union Regulation 2012/648/EC (EMIR), then the Globe Hedging Agreements must provide that the Globe Borrowers and counterparty are required to enter into a credit support annex in compliance with such implementing regulations.

The Globe Borrowers are not permitted to terminate, vary or cancel the Globe Hedging Arrangements without the consent of the Globe Facility Agent.

As such, the Globe Borrowers entered into the Globe Interest Rate Cap Transaction. See "*Description of the Hedging Arrangements*" in this Offering Circular.

Globe Loan Accounts

The Globe Company must maintain a debt service account (the "**Globe Debt Service Account**") and a general account the ("**Globe Company General Account**").

Each Globe Borrower must maintain a general account (each, a "**Globe Borrower General Account**").

Each Globe ComCo must maintain a current account (each, a "**Globe ComCo General Account**").

Each of Globe LuxCo 18, Globe LuxCo 20 and Globe LuxCo 9 must maintain a current account (each, a "**Globe LuxCo General Account**" and, together with the Globe Company General Account, the Globe Borrower General Accounts, the Globe ComCo General Accounts and the Globe LuxCo General Accounts, the "**Globe General Accounts**"). The Globe Debt Service Account and Globe General Accounts are each, a "**Globe Account**".

No Globe Obligor may, without the prior consent of the Globe Facility Agent, maintain any other bank account.

Each Globe Account must be held at, as far as a Globe Obligor incorporated in Luxembourg is concerned, at BGL BNP Paribas or with a bank in Luxembourg that meets the Requisite Rating, and, as far as a Globe Obligor incorporated in Italy is concerned, at Intesa Sanpaolo S.p.A. or with a bank in Milan that meets the Requisite Rating.

Globe Debt Service Account

The Globe Facility Agent has sole signing rights in relation to the Globe Debt Service Account.

The Globe Obligors must ensure that:

(a)

(i) the Globe Relevant Amount resulting from the disposal of a Globe Property are, unless immediately applied in prepayment of the Globe Loan, paid into the Globe Debt Service Account; and

(ii) if a Loan Event of Default or a Globe Cash Trap Event is continuing, the Globe Disposal Proceeds derived from the disposal of a Globe Property are paid into the Globe Debt Service Account;

(b) all Globe Hedging Prepayment Proceeds are promptly upon receipt paid into the Globe Debt Service Account;

(c) all Globe Insurance Prepayment Proceeds are promptly upon receipt paid into the Globe Debt Service Account;

(d) all Globe Compensation Prepayment Proceeds are promptly upon receipt paid into the Globe Debt Service Account;

(e) all Globe Recovery Prepayment Proceeds are promptly upon receipt paid into the Globe Debt Service Account;

(f) any amount to be paid into the Debt Service Account from the Globe General Accounts, as described below under "*—Globe General Accounts*" are paid into the Globe Debt Service Account; and

(g) the amount required in respect of the financial covenants for the purposes of, respectively, a Globe Debt Service Cover Ratio Cure and/or a Globe Loan to Value Cure (the "**Globe Cure Amount**") as described under "*—Financial Covenants*" below are paid into the Globe Debt Service Account.

The Globe Facility Agent must withdraw from, and apply amounts standing to the credit of, the Globe Debt Service Account, in the following manner and order:

(a) as to the Globe Relevant Amount resulting from the disposal of a Globe Property,

(i) on each Loan Payment Date; or

(ii) earlier at the request of the Globe Company if it gives the Globe Facility Agent not less than five Loan Business Days' notice; or

(iii) if a Loan Event of Default and/or a Globe Cash Trap Event is continuing, at any time at the discretion of the Globe Facility Agent,

the Globe Facility Agent must withdraw from, and apply amounts standing to the credit of, the Globe Debt Service Account in prepayment of the Globe Loan, as described under "*—Repayment and Prepayments of Principal*" above;

(b) as to Globe Hedging Prepayment Proceeds, Globe Insurance Prepayment Proceeds, Globe Compensation Prepayment Proceeds and Globe Recovery Prepayment Proceeds, on each Loan Payment Date, or earlier at the request of the Globe Company if it gives the Globe Facility Agent not less than five Loan Business Days' notice, the Globe Facility Agent must withdraw from, and apply such amounts in prepayment of the Globe Loan; and

(c) as to and amounts to be paid into the Globe Debt Service Account from the Globe General Accounts, the Globe Facility Agent must withdraw from, and apply amounts standing to the credit of, the Globe Debt Service Account, on each Loan Payment Date in the following order:

(i) *firstly*, in or towards payment *pro rata* of any unpaid amounts owing to the Globe Facility Agent, the arranger or the Globe Security Agent;

(ii) *secondly*, in or towards payment to the Globe Facility Agent for the Lender of any accrued interest and fees due but unpaid;

(iii) *thirdly*, in or towards payment to the Globe Facility Agent for the Lender of any principal due but unpaid;

(iv) *fourthly*, in or towards payment *pro rata* of any other sum due but unpaid to the Loan Finance Parties; and

(v) *fifthly*, any surplus (the "**Globe Rental Income Surplus**"), in or towards payment into any Globe General Account provided that no Globe Cash Trap Event has occurred and is continuing;

(d) as to the Globe Cure Amount:

(i) if on two consecutive Loan Payment Dates falling within the 12-month period following the date on which the Globe Cure Amount has been paid into the Globe Debt Service Account no breach of the Globe Debt Service Cover Ratio or Globe Loan to Value is continuing (calculated not taking into account the Globe Cure Amount), at the request of the Globe Company if it gives the Globe Facility Agent not less than five Loan Business Days' notice, the Globe Facility Agent must transfer the Globe Cure Amount into a Globe General Account;

(ii) if paragraph (i) above does not apply:

(A) the Globe Cure Amount paid into the Globe Debt Service Account is required to remain credited into the Globe Debt Service Account for a period of at least 6 months;

(B) at any time after six months from the payment of the relevant Globe Cure Amount into the Globe Debt Service Account, the Globe Company may request the Globe Facility Agent to instruct a new Valuation (any cost and expense of which is required to be paid directly by the Globe Company) and, in this case,

(1) if the new Valuation shows that the Globe Loan to Value is not breached (calculated not taking into account the Globe Cure Amount) and provided that:

(I) no breach of the Globe Debt Service Cover Ratio is continuing; and

(II) if a breach of the Globe Debt Service Cover Ratio was previously outstanding, it has been cured and the conditions referred to in paragraph (i) are met,

at the request of the Globe Company if it gives the Globe Facility Agent not less than 5 (five) Business Days' notice, the Globe Facility Agent must transfer the Globe Cure Amount into any Globe General Account; and

(2) if the new Valuation shows that the Globe Loan to Value is breached (calculated not taking into account the Globe Cure Amount), the Globe Facility Agent is required to immediately apply the Globe Cure Amount in prepayment of the Globe Loan; and

(iii) if paragraphs (i) and (ii)(B) do not apply, after 12 months from the payment of the relevant Globe Cure Amount into the Globe Debt Service Account, the Globe Company is required to provide the Globe Facility Agent with a new Valuation and, in this case,

(A) if the new Valuation shows that the Globe Loan to Value is not breached (calculated not taking into account the Globe Cure Amount), and provided that:

(1) no breach of the Globe Debt Service Cover Ratio is continuing; and

(2) if a breach of the Globe Debt Service Cover Ratio was previously outstanding it has been cured and, the conditions referred to in paragraph (i) are met,

at the request of the Globe Company if it gives the Globe Facility Agent not less than five Loan Business Days' notice, the Globe Facility Agent must transfer the Globe Cure Amount into any Globe General Account; and

(B) if the new Valuation shows that the Globe Loan to Value is breached (calculated not taking into account the Globe Cure Amount), the Globe Facility Agent is required to immediately apply the Globe Cure Amount in prepayment of the Globe Loan.

(e) as to any Globe Disposal Proceeds Surplus and Globe Rental Income Surplus (the "**Globe Trapped Cash**"), it is required to remain deposited into the Globe Debt Service Account until it is utilised as follows:

(i) if on the Globe Test Date of the Debt Service Cover Ratio falling before the end of the 6-month period from the date on which the Globe Trapped Cash has been trapped into the Globe Debt Service Account (the "**Globe Trapped Date**") a Globe Cash Trap Event is no longer continuing, at the request of the Globe Company if it gives the Globe Facility Agent not less than five Loan Business Days' notice, the Globe Facility Agent must transfer the Globe Cure Amount into any Globe General Account; and

(ii) if the Globe Trapped Cash remains trapped into the Globe Debt Service Account for six months or more, at any time after the end of the 6-month period from the Globe Trapped Date, the Globe Facility Agent is required to apply the Globe Trapped Cash in prepayment of the Globe Loan.

The Globe Facility Agent is obliged to make any withdrawal from the Globe Debt Service Account as described above only if no Loan Event of Default is continuing and the representations made under the Globe Loan Agreement are correct and will be correct immediately after the withdrawal.

Globe General Accounts

Globe Borrower General Accounts

Unless a Loan Event of Default is continuing, each Globe Borrower has sole signing rights to its Globe Borrower General Account.

Each Globe Borrower must ensure that any amount received or receivable by it, other than any amount specifically required to be paid into any other Globe Account, is paid into its relevant Globe Borrower General Account, including, in particular:

(a) all Rental Income to be paid to the Globe Borrower in respect of the relevant Globe Property owned by it including any Globe Lease Prepayment Proceeds; and

(b) any amounts payable to it under any Globe Hedging Agreements, other than any Globe Hedging Prepayment Proceeds.

Each Globe Borrower must withdraw from, and apply amounts standing to the credit of, its relevant Globe Borrower General Account, as follows:

(a) in payment of the operating expenses reasonably incurred or to be reasonably incurred during the relevant Loan Interest Period and (save for any maintenance costs) as referred to in the Globe Business Plan;

(b) until the Globe Company provides the Globe Facility Agent with a copy of the account statement evidencing that the sums standing to the credit of the Globe Debt Service Account are equal to or higher than the relevant Globe Debt Service Level;

(i) as to any amount paid into the relevant Globe Borrower General Account other than the Globe Tenant Recoverables, immediately upon receipt of any amounts into the Globe Debt Service Account; and

(ii) as to the Globe Tenant Recoverables, the relevant amount is required to remain deposited into the relevant Globe Borrower General Account until the conditions referred to in paragraph (c) below are met; and

(c) starting from the date on which the Globe Company provides the Globe Facility Agent with a copy of the account statement evidencing that the sums standing to the credit of the Globe Debt Service Account are equal to or higher than the relevant Globe Debt Service Level and provided that no Loan Event of Default is outstanding, the amounts standing to the credit of the relevant Globe Borrower General Account can be freely utilised by the relevant Globe Borrower.

A Globe Borrower is only authorised to make a withdrawal from the relevant Globe Borrower General Account if no Loan Event of Default is continuing and the representations made under the Globe Loan Agreement are correct and will be correct immediately after the withdrawal.

If a Globe Loan Event of Default is continuing or the representations made under the Globe Loan Agreement are not correct, the Globe Facility Agent may:

(a) operate any Globe Borrower General Account;

(b) notify the Globe Company that the rights of the relevant Globe Borrowers to operate the relevant Globe Borrower General Accounts are suspended (except for the payment of the operating expenses during the relevant Loan Interest Period (save for any maintenance costs) as referred to in the Globe Business Plan); and

(c) withdraw from, and apply amounts standing to the credit of, the Globe Borrower General Accounts in or towards any purpose for which moneys in any Globe Account may be applied.

Globe ComCo General Accounts

Unless a Loan Event of Default is continuing, each Globe ComCo has sole signing rights to its Globe ComCo General Account.

Each Globe ComCo must ensure that any amount received or receivable by it, other than any amount specifically required to be paid into any other Globe Account, is paid into its relevant Globe ComCo General Account.

Each Globe ComCo must withdraw from, and apply amounts standing to the credit of, its relevant Globe ComCo General Account, as follows:

(a) in payment of the operating expenses reasonably incurred or to be reasonably incurred during the relevant Loan Interest Period (save for any recoverable and/or un-recoverable service charge) as referred to in the Globe Business Plan;

(b) until the Globe Company provides the Globe Facility Agent with evidence, in form and substance satisfactory to the latter, that the sums standing to the credit of the Globe Debt Service Account are equal to or higher than the relevant Globe Debt Service Level, immediately upon receipt of any amounts standing to the credit of the relevant Globe ComCo General Account into the Globe Debt Service Account; and

(c) starting from the date on which the Globe Company provides the Globe Facility Agent with evidence, in form and substance satisfactory to the latter, that the sums standing to the credit of the Globe Debt Service Account are equal to or higher than the relevant Globe Debt Service Level and provided that no Loan Event of Default is outstanding, the amounts standing to the credit of the relevant Globe ComCo General Account can be freely utilised by the relevant Globe ComCo.

Any Globe ComCo will be authorised to make a withdrawal from the relevant Globe ComCo General Account only if no Loan Event of Default is continuing and the representations made under the Globe Loan Agreement are correct and will be correct immediately after the withdrawal.

At any time when a Loan Event of Default is continuing or the representations made under the Globe Loan Agreement are not correct, the Globe Facility Agent may:

(a) operate any Globe ComCo General Account;

(b) notify the Globe Company that the rights of the relevant Globe ComCo to operate the relevant Globe ComCo General Account are suspended (except for the payment of the operating expenses reasonable incurred or to be reasonably incurred during the relevant Loan Interest Period (save for recoverable and/or un-recoverable service charge) as referred to in the Globe Business Plan), such notice to take effect in accordance with its terms; and

(c) withdraw from, and apply amounts standing to the credit of, the Globe ComCo General Accounts in or towards any purpose for which moneys in any Globe Account may be applied.

Globe LuxCo General Accounts

Unless a Loan Event of Default is continuing, each Globe LuxCo has sole signing rights on its Globe LuxCo General Account.

Each Globe LuxCo must ensure that any amount received or receivable by it, other than any amount specifically required under the Globe Loan Agreement to be paid into any other Globe Account, is paid into its relevant Globe LuxCo General Account.

Each Globe LuxCo must withdraw from, and apply amounts standing to the credit of, its relevant Globe LuxCo General Account, as follows:

(a) in payment of the operating expenses reasonably incurred or to be reasonably incurred in relation to it during the relevant Loan Interest Period relating to it;

(b) until the Globe Company provides the Globe Facility Agent with evidence, in form and substance satisfactory to the latter, that the sums standing to the credit of the Globe Debt Service Account are equal to or higher than the relevant Globe Debt Service Level, immediately upon receipt of any amounts standing to the credit of the relevant Globe LuxCo General Account into the Globe Debt Service Account; and

(c) starting from the date on which the Globe Company provides the Globe Facility Agent with evidence, in form and substance satisfactory to the latter, that the sums standing to the credit of the Globe Debt Service Account are equal to or higher than the relevant Globe Debt Service Level and provided that no Loan Event of Default is outstanding, the amounts standing to the credit of the relevant Globe LuxCo General Account can be freely utilised by the relevant Globe LuxCo.

Any Globe LuxCo will be authorised to make a withdrawal from the relevant Globe LuxCo General Account only if no Globe Loan Event of Default is continuing and the representations made under the Globe Loan Agreement are correct and will be correct immediately after the withdrawal.

At any time when a Loan Event of Default is continuing or the representations made under the Globe Loan Agreement are not correct, the Globe Facility Agent may:

(a) operate any Globe LuxCo General Account;

(b) notify the Globe Company that the rights of the relevant Globe LuxCo to operate the relevant LuxCo General Account are suspended (except for the payment of the operating expenses reasonably incurred or to be reasonably incurred during the relevant Loan Interest Period) such notice to take effect in accordance with its terms; and

(c) withdraw from, and apply amounts standing to the credit of, the Globe LuxCo General Accounts in or towards any purpose for which moneys in any Globe Account may be applied.

Financial Covenants

Globe Debt Service Cover Ratio

Each Globe Borrower must ensure that the Globe Debt Service Cover Ratio is at all times greater than 150 per cent.

Globe Loan to Value

Each Globe Borrower must ensure that the Globe Loan to Value does not, at any time, exceed 75 per cent.

In this section:

"**Globe Debt Service Cover Ratio**" means the ratio of Globe Projected Net Operating Income to Globe Projected Finance Costs.

"**Globe Loan to Value**" means, at any time, the Globe Loans as a percentage of the aggregate market value of the Globe Properties (determined in accordance with the most recent Valuation of the Globe Properties at that time).

"**Globe Net Operating Income**" means:

(a) the Net Rental Income minus without duplication,

(b) insurance premia (to the extent not payable directly by the tenant), irrecoverable costs (including, but not limited to, service charges, shortfalls, any operating cost and taxes (other than corporate income tax) not recoverable from the tenants, property management fees, asset management fees, without duplication).

"**Globe Projected Finance Costs**" means the aggregate amount of all interest, Globe Projected Amortisation and fees payable under the Globe Loan Agreement during the twelve month period commencing on the relevant Globe Test Date.

"**Globe Projected Net Operating Income**" means, on each Globe Test Date:

(a) the Globe Net Operating Income; plus

(b) exclusively as to the period from 24 November 2014 up to 24 November 2017, the Globe Vendor's Guarantee Amount less any amount of the Net Rental Income expected to be received on a pro-forma basis with reference to the 12-month period following the relevant Globe Test Date (it being understood that following 24 November 2017 the Globe Vendor's Guarantee Amount will not be taken into consideration for the purposes of calculating the Globe Net Operating Income),

in each case, calculated on a Globe Test Date on a pro-forma basis with reference to the 12-month period following that Globe Test Date,

(c) it being understood that if at any point in time:

(i) the Globe Vendor does not pay amounts guaranteed under the Globe Vendor's Guarantee within the prescribed timeframe; and/or

(ii) the Globe Vendor is subject to any insolvency proceeding; and/or

(iii) any obligation of the Globe Vendor under the Globe Vendor's Guarantee are not or cease to be legal, valid, binding or enforceable and/or the Globe Vendor's Guarantee ceases to be in full force and effect,

the Globe Vendor's Guarantee Amount will be regarded as nil.

"**Globe Vendor**" means the seller of the Globe Properties

"**Globe Vendor's Guarantee**" means the rental guarantee granted by the Globe Vendor to each of the Globe Borrowers and the Globe ComCos with respect to the net operating income for the granting of any space of the relevant shopping centre.

"**Globe Vendor's Guarantee Amount**" means the amount payable by the Globe Vendor under the guarantee given by the Globe Vendor in connection with the sale of the Globe Properties to the Globe Borrowers.

Calculation of Financial Covenants

The Globe Loan to Value will be tested on each applicable Globe Test Date.

The Globe Debt Service Cover Ratio will be tested on each Globe Test Date.

For the purposes of calculating the Net Rental Income:

(a) a break clause under any lease document will be deemed to have been exercised at the earliest date available to the relevant tenant;

(b) a lease will only be taken into account where a documented, binding and unconditional lease exists;

(c) the following receivables arising under a lease will not be calculated:

(i) receivables to be paid from tenants, in arrears/default for 3 months or more, on more than 25 per cent. of the amount then due;

(ii) receivables envisaged to be paid by a Globe Borrower or an affiliate of a Globe Borrower;

(iii) receivables envisaged to be received by a Globe Borrower from, or representing the value of, consideration given for the grant, surrender or variation of any lease;

(iv) receivables relating to any extraordinary or non-recurring items, the existence of which is known or anticipated at the time of calculation; and

(v) the Rental Income envisaged to not be received due to the operation of any rent-free period and/or other incentives granted to any tenant is required to be deducted from the Rental Income.

For the purposes of calculating the Globe Projected Net Operating Income it is assumed that, other than the fixed rental uplifts and the notified indexation, there will be no rental uplifts on leases.

Cure Payments

Where the Globe Debt Service Cover Ratio is breached, a Globe Borrower may not later than ten Loan Business Days after the date on which the relevant compliance certificate is required to be delivered (the "**Globe Debt Service Cover Ratio Cure**"):

(a) voluntarily prepay the Globe Loans, by an amount necessary to ensure that the Globe Debt Service Cover Ratio is not breached; and/or

(b) deposit into the Globe Debt Service Account an amount sufficient to ensure that the Globe Debt Service Cover Ratio is not breached through a voluntary prepayment, provided that, until such voluntary prepayment is made, the relevant amount is required to be kept in deposit on the Globe Debt Service Account.

Where the Globe Loan to Value is breached, a Globe Borrower may, not later than 15 Loan Business Days after the date on which the relevant compliance certificate is required to be delivered (the "**Globe Loan to Value Cure**" and, together with the Globe Debt Service Cover Ratio Cure, the "**Globe Cure Rights**"):

(a) voluntarily prepay the Globe Loans, by an amount necessary to ensure that the Globe Loan to Value is not breached; and/or

(b) deposit into the Globe Debt Service Account an amount sufficient to ensure that the Globe Loan to Value is not breached through a voluntary prepayment, provided that, until such voluntary prepayment is made, the relevant amount is required to be kept on deposit on the Globe Debt Service Account.

The Globe Borrowers may not use the Globe Cure Rights:

(a) more than four times over the life of the Globe Loans; and

(b) in respect of more than two consecutive Globe Test Dates.

Valuations

The Globe Company is required to promptly on demand pay to the Globe Facility Agent the costs of:

(a) a Valuation obtained by the Globe Facility Agent on an annual basis as at 31 December of the immediately preceding year;

(b) a Valuation obtained by the Globe Facility Agent in connection with the compulsory purchase of all or part of any Globe Property; and

(c) a Valuation obtained by the Globe Facility Agent at any time when a Loan Default is continuing, provided that the Globe Facility Agent shall have the right to ask for no more than one new Valuation for the same Loan Default during a 12-month period.

Any other Valuation will be at the cost of the Lender.

Property Disposals

A Globe Borrower may only dispose of its Globe Property or a Globe Obligor may dispose of the shares in a Globe Borrower if:

(a) no Loan Default or Loan Event of Default is continuing or would result from that disposal or, if a Loan Default or Loan Event of Default is continuing, it would be remedied as a result of such disposal;

(b) that disposal is on arm's length terms to an unrelated third party;

(c) the relevant disposal relates to a relevant Globe Property or the participation in a Globe Borrower in its entirety and not to a part of it; and

(d) the Globe Disposal Proceeds are not less than the aggregate of:

(i) the Globe Release Amount of that Globe Property or the Globe Property owned by the Globe Borrower disposed of; and

(ii) any amount determined by the Globe Facility Agent to provide for prepayment fees and any other amount that is or will become due and payable as a result of the application of the disposal proceeds in prepayment of the Globe Loans,

(the "**Globe Relevant Amount**").

Each Globe Obligor may dispose of its entire participation in any of the Globe ComCos where:

(a) such disposal occurs in the context of the completion of a permitted disposal of the relevant Globe Property whose related business licenses are held by Globe ComCo being disposed of; and

(b) the relevant disposal relates to the participation in a Globe ComCo in its entirety and not to a part of it.

In addition, the Globe Company may dispose of its shares in any Globe Obligor where the Lender has given its consent to that disposal. No consent is required if the disposal of shares do not cause a change of control (as described under "*—Prepayment on Change of Control*" above.

In this section:

"**Globe Allocated Loan Amount**" means, in respect of each Globe Property, the amount set out next to its name in the table below:

Owner	Property Name	Address of Property	Globe Allocated Loan Amount
Globe Dima Borrower	Fiume Veneto	Via Maestri de Lavoro, 42 33080 Fiume Veneto, Pordenone, Italy	€38,896,463.25
Globe Falcone Borrower	Monfalcone	Via F. Pocar, Monfalcone, Italy	€27,597,222.92
Globe Palladio Immobiliare Borrower	Centro Commerciale Palladio	Via Scolari, 36100 Vicenza, Italy	€48,506,313.83

"**Globe Release Amount**" means 115 per cent. of the relevant Globe Allocated Loan Amount of the disposed Globe Property.

"**Globe Disposal Proceeds**" means the gross proceeds of any disposal of a Globe Property or participation in a Globe Borrower less an amount agreed between the Globe Facility Agent and the Globe Company as the costs and expenses, in each case if reasonably incurred, and taxes (including capital gain tax) associated with that disposal.

Property Management

No Globe Obligor may appoint any Globe Property Manager, amend, supplement, extend or waive the terms of appointment of any Globe Property Manager, or terminate the appointment of any Globe Property Manager, without the prior consent of, and on terms approved by, the Globe Facility Agent.

The Globe Property Manager has entered into a property management agreement with each Globe Borrower and a Globe Duty of Care Agreement with (amongst others) the Globe Security Agent.

Each Globe Obligor must ensure that the Globe Property Manager:

(a) does not delegate any of its obligation under the Property Management Agreement on terms that are not satisfactory to, and without the prior consent of, the Globe Facility Agent;

(b) does not receive a base management fee in connection with the relevant Globe Property higher than 1.5 per cent. per annum of the total collected Rental Income (excluding the Rental Income relating to the hypermarket space and any cinema) plus 15 per cent. per annum of any amount paid as temporary income, as increased in order to take into consideration possible effects of inflation;

(c) has a satisfactory indemnity cover with respect to the activity to be carried out in relation to the relevant Globe Property for an amount at least equal to the amount corresponding to 25 per cent. of the annual Rental Income; and

(d) agrees to pay all Net Rental Income received by it into a Globe General Account without any withholding, set-off or counterclaim.

The Globe Property Manager fees are to be paid by the Globe Borrowers.

"**Globe Property Manager**" means SVICOM – Sviluppo Commerciale S.r.l. or any other property manager or managing agent appointed by the Globe Company in respect in accordance with the provisions of the Globe Loan Agreement.

Permitted Guarantees and Loans

No Globe Obligor may be the creditor in respect of any loan or any form of credit to any person other than:

(a) another Globe Obligor which is subject to a Globe Subordination Agreement;

(b) any loan advanced by a Globe Obligor to any other Globe Obligor and/or its direct or indirect shareholder utilising Globe Free Cash, provided that:

(i) any claim of the relevant lender *vis-à-vis* the relevant borrower being a Globe Obligor are fully subordinated, for principal or interest amount, to any claim of the Loan Finance Parties under the Loan Finance Documents, under the Globe Subordination Agreement; and

(ii) payments for capital and/or interest shall only be allowed in respect of such loans and/or relevant contractual claims utilising Globe Free Cash;

(c) loans, subject to a Globe Subordination Agreement between the Globe Obligors for the purpose of transferring cash into the Globe Debt Service Account.

No Globe Obligor may give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which that Globe Obligor assumes any liability of any other person other than any guarantee or indemnity given under the Loan Finance Documents.

Permitted Financial Indebtedness

No Globe Obligor may incur or permit to be outstanding any financial indebtedness other than:

(a) any financial indebtedness incurred under the related Loan Finance Documents;

(b) any amounts owed to another Globe Obligor which is subject to a Globe Subordination Agreement;

(c) any financial indebtedness arising as a result of any indemnities or price adjustments in accordance with the acquisition agreement in respect of the Globe Properties;

(d) any financial indebtedness arising under any intercompany loan agreement subject to a Globe Subordination Agreement;

(e) any financial indebtedness which is either subordinated pursuant to a Globe Subordination Agreement or is otherwise subordinated in accordance with terms and conditions acceptable to the Lender; and

(f) any unsecured short term financial indebtedness owed to third party banks for an outstanding amount not exceeding, in aggregate at any time, €30,000 incurred in the ordinary course of business (including *vis-à-vis* commercial creditors and/or under financial leases).

Permitted Security

No Globe Obligor is permitted to create or permit to subsist any security over any of its assets other than security created under the Loan Finance Documents or any lien arising by operation of law and in the ordinary course of trading.

Distributions

No Globe Obligor may (except as described below):

(a) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(b) repay or distribute any dividend or share premium reserve;

(c) pay any management, advisory or other fee to or to the order of any of the shareholders of the Globe Company; or

(d) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.

The Globe Obligors may take the actions described at (a) to (d) above in respect of:

(a) any shares issued by the Globe Company;

(b) any shares issued by a Globe Obligor other than the Globe Company and paid out of Globe Free Cash; and

(c) the conversion into equity of any shareholders' loan granted in favour of any Globe Obligor.

Guarantee

Under the Globe Loan Agreements, each Globe Obligor: (a) guarantees the performance of each other Globe Obligor's obligations under the Loan Finance Documents; (b) undertakes that whenever another Globe Obligor does not pay any amount when due under or in connection with any Loan Finance Document, that the Globe Obligor shall pay that amount as if it was the principal obligor; and (c) agrees that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify that the Loan Finance Party immediately on demand against any cost, loss or liability it incurs as a result of any other Globe Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Loan Finance Document.

The guarantee will not apply to any liability to the extent that it would result in this guarantee being illegal or contravening any applicable law or regulation in any relevant jurisdiction concerning financial assistance by a company for the acquisition of, or subscription for, shares or concerning the protection of shareholders' capital.

In the case of each Globe Obligor incorporated in Italy (a "**Globe Italian Guarantor**"), its liability under the guarantee shall not exceed, at any time, the aggregate at that time of:

(a) the aggregate amount of any Globe Loan at any time made available to such Globe Italian Guarantor (or any of its direct or indirect subsidiary pursuant to article 2359 of the Civil Code) as a Globe Borrower; and

(b) the highest outstanding principal amount at any time of the indebtedness of that Globe Italian Guarantor (or any of its direct or indirect subsidiary pursuant to article 2359 of the Civil Code) under all inter-company loans (or other financial support in any form) advanced (or granted) to the Globe Italian Guarantor (or any of its direct or indirect subsidiary pursuant to article 2359 of the Civil Code)

by any Globe Obligor or any other member of the group to which it belongs and/any of their shareholders before 24 November 2014 and outstanding on 24 November 2014 or after such date; or

(c) pursuant to article 1938 of the Civil Code, the maximum amount that the Globe Italian Guarantors in aggregate may be required to pay in respect of their obligations as guarantors under the Globe Loan Agreement shall not exceed €230,000,000.

The aggregate obligations and exposure of any Globe Obligor incorporated in Luxembourg for the payment of obligations of an entity which is not a direct or indirect subsidiary of such Globe Obligor shall, together with any similar guarantee and/or security of such Globe Transaction Obligor incorporated in Luxembourg arising under any other Loan Finance Documents, be limited to an aggregate amount not exceeding the higher of:

(a) 95 per cent. of such Globe Obligor's *capitaux propres* (as referred to in article 34 of the Luxembourg law dated 19 December 2002 on the register of commerce and companies, on accounting and on annual accounts of the companies, as amended) and its *dettes subordonnées* (as referred to in article 34 of the Luxembourg law dated 19 December 2002 on the register of commerce and companies, on accounting and on annual accounts of the companies, as amended) and any other intra-group liabilities, as shown in its most recently and duly approved financial statements as at 24 November 2014; and

(b) 95 per cent. of such Globe Obligor's *capitaux propres* (as referred to in article 34 of the Luxembourg Law dated 19 December 2002 on the register of commerce and companies, on accounting and on annual accounts of the companies, as amended) and its *dettes subordonnées* (as referred to in article 34 of the Luxembourg law dated 19 December 2002 on the register of commerce and companies, on accounting and on annual accounts of the companies, as amended) and any other intra-group liabilities, as shown in its most recently and duly approved financial statements as at the date on which a demand is made.

The Calvino Borrower

The information in relation to the Calvino Borrower has been sourced from information provided by the Calvino SGR (as defined below) and from the Italian mandatory rules applicable to the SGR. The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information provided by the Calvino SGR, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The full legal name of the Calvino Borrower is "*C2 Investment Fund – Fondo Comune di Investimento Immobiliare Speculativo di Tipo Chiuso*", a closed-ended real estate speculative fund, incorporated under the law of Italy on 12 June 2014, represented by and acting through its managing company, Cordea Savills SGR S.p.A. (the "**Calvino SGR**").

The Calvino SGR is a "*società per azioni*" duly incorporated on 20 June 2005 and validly existing under the laws of Italy with registered office at Via San Paolo 7, Milan, Italy, share capital €1,500,000.00, registered with the companies' register of Milan, VAT No. 08567741007, phone number +39 02 3600 6700 and has obtained all consents, approvals, licences and authorisations pursuant to the Italian legislative decree number 58 of 24 February 1998 ("**Financial Act**") and all other applicable laws to manage the Calvino Borrower (including but not limited to the authorisation to carry out collective portfolio managing activities as defined under article 1, paragraph 1, letter n), and article 32- quarter of the Financial Act and is registered under number 207 of the Register (Albo) held by Bank of Italy pursuant to article 35, paragraph 1, of the Financial Act) acting on behalf of the Calvino Borrower which is a real estate speculative investment fund reserved to qualified investors pursuant to articles 12-bis and 15 of the Ministry of Economics and Finance decree number 228 of 24 May 1999, established in accordance with the transitional rule provided under article 15, para. 9, of the Italian legislative decree number 44 of 4 March 2014, implementing Directive 2011/61/EU on alternative investment fund managers. The Calvino Borrower is subject to the regulatory and supervisory power of both the CONSOB and the Bank of Italy.

The Calvino Borrower has been established through resolution of the Calvino SGR's board of directors on 12 June 2014.

The Calvino SGR has provided investment services for over 25 years, these services comprise separate accounts and investment mandates on an advisory or discretionary basis, and the establishment and management of pooled property funds, in addition to this asset management capability, also offer comprehensive tax and structuring services as well as sourcing debt and putting in place hedging.

The Calvino SGR's clients include pension funds and insurance companies, banks, endowments and family offices on whose behalf they invest in office, retail, industrial and residential property.

Investment Objective, Policy, Investment Restrictions and Borrowing Limits of the Fund

According to clauses 7 and 8 of the regulations of the Calvino Borrower (the "**Calvino Fund Regulations**"):

(a) the principal activity of the Calvino Borrower is the collective investment of funds raised, mainly in real estate properties, real estate rights and/or stakes in property companies as well as the professional management and the valorisation of the Fund's assets in order to maximise the return on investment for its unitholders;

(b) at least two-thirds of the portfolio of the Calvino Borrower shall be invested in real estate property, real property rights, holdings in real estate service companies, holdings in other real estate funds both in Italy and abroad;

(c) its portfolio shall be invested in real estate properties, existing or under construction or to be developed or reconversion, mainly located in Italy, mainly leased to public and private entities, on terms that may include the tenant's right to purchase.

(d) the Calvino Borrower may grant security and/or personal guarantees to secure loans received by the Fund, when needed for the purpose of its investment activities.

The whole Calvino Borrower's portfolio has been invested in properties,

The Calvino Fund Regulations do not contain specific provision concerning the change of the Calvino Borrower's investment policy.

The Calvino Borrower may borrow up to the 80 per cent. of the value of its real estate properties, real property rights, holdings in property companies and up to the 100 per cent. of the value of any other activities.

No more than 30 per cent. of the Calvino Borrower's assets or, if greater, of the aggregate nominal value of its units, can be invested in (i) financial instruments issued by the same issuer or (ii) in a sole real estate property.

Units issued by the Fund

The nominal value of each unit is equal to €500,000.00.

The aggregate nominal value of the units is €53,500,000.

Investment in the units is reserved to qualified investors.

Major Unitholders

The major unitholder of the Calvino Fund is Cerberus Investment SCA SICAV SIF.

The Calvino Borrower Fund Regulations (i) do not provide for different voting rights for the case of plurality of unitholders and (ii) do not contain provisions aimed at ensuring that a major unitholder abuse of its controlling power (if any).

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower, no director of the Calvino SGR has, directly or indirectly, an interest in the Calvino Borrower's capital or voting rights, which is notifiable under the Calvino Borrower 's national law,

Unitholders Meetings

Meetings can be convened by the Calvino SGR in Italy, at the registered office of the Calvino SGR or elsewhere, by notice stating the day, time and place of the meeting and the list of matters to be discussed.

The Calvino SGR must inform the unitholders that the meeting has been convened by means of a notice in compliance with the legislation in force from time to time, by the same means used to communicate the value of

the unit, at least 15 days before the meeting. The notice shall contain information on the date, place, time and agenda of the meeting.

A meeting shall be deemed to be validly constituted, if at least 40 per cent. of the units is represented.

Holders of the Calvino Borrower's units at the date of the meeting have the right to attend the meeting. The rules setting out the rights of the holders of financial instruments managed in dematerialised form shall apply to matters not expressly disciplined in the regulations of the Calvino Borrower.

Auditors of the Calvino SGR

The Calvino Fund shall publish audited financial statements on an annual basis. The independent auditor of the fund is K.P.M.G. S.p.a., with offices in Via Vittor Pisani 25, 20124, Milan, Italy.

Financial Statements

Since its date of incorporation, the Calvino Borrower has not prepared financial statements.

Custodian of the Fund

The full legal name of the custodian of the Calvino Borrower is Société Générale Securities Services S.p.a., with its registered office in Milan, Via Benigno Crespi 19A. The custodian has been incorporated on 1 January 2008 and enrolled as an Italian branch of foreign banks with the register held by the Bank of Italy pursuant to article 13 of the Banking Act, at No. 5622, phone number +39 02 91781.

The custodian of the Calvino Borrower is subject to the regulatory and supervisory power of both the CONSOB and the Bank of Italy.

The custodian in the execution of the assignment awarded by the Calvino SGR is required to perform the duties required by the prevailing laws, in particular the custodian is required to (i) keep under its control the financial instrument and the cash of the fund, (ii) verify the validity of the issue and repurchase of the units of the fund, (iii) verify the compliance of the calculation of the value of the units of the fund, or, if authorized by the Calvino SGR, calculate itself such value and (iv) execute the instructions of the Calvino SGR.

The relation between the Calvino SGR and the custodian is governed by a specific regulation which established among the others the functions carried out by the custodian.

The assignment of the custodian is conferred for an undetermined period, subject to the right of the Calvino SGR to revoke such mandate at any time. The custodian may, in turn, waive the mandate by providing prior notice to this effect of no less than 6 months.

The effect of any such revocation or waiver is suspended until:

(a) another custodian in possession of the requirements set out by the law accepts the assignment in substitution of the previous one;

(b) the subsequent amendment of the regulations is approved by the Calvino SGR, and, where required by the prevailing pro-tempore laws, by the Bank of Italy; and

(c) the financial instruments and liquid assets of the Calvino Borrower are transferred to the new custodian.

Material Contracts

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and representations and warranties given by the same Calvino Borrower pursuant to the Calvino Loan Agreement (in this regard, see Section "*The Loan Portfolio and the Properties—Common Terms Relating to the Loans—Representations and Warranties*"), apart from the Loan Finance Documents concerning the Calvino Loan to which it is a party, the fund has not entered into any material contracts other than in the ordinary course of its business.

Legal and Arbitration Proceedings

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and representations and warranties given by the same Calvino Borrower pursuant to the Calvino Loan Agreement (in this regard, see Section "*The Loan Portfolio and the Properties—Common Terms Relating to the Loans—Representations and Warranties*"), there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the fund is aware) which may have or have had since its incorporation a significant effect on the fund's financial position or profitability.

Valuer

The valuer of the Calvino Borrower is Cushman & Wakefield Asset Management Italy S.r.l., with registered office at Via Filippo Turati 16/18, 20121, Milan, Italy, registered at the companies' register of Milan under n. 04723200962. Phone number: +39 0263799208.

Servicer

The servicer for the Calvino Borrower is the Calvino SGR.

Portfolio

See sections "*The Calvino Loan and Properties*" and "*The Calvino Properties*".

Net Asset Value

The global net value of the Calvino Borrower is equal to the activities net to any liabilities on the valuation date, i.e. the last working day of each semester.

The global net value of the Calvino Borrower's assets is determined according to the evaluation criteria of the property funds' assets established by the Bank of Italy.

The value of the units of the Calvino Borrower is calculated with reference to the last working day of each semester and is equal to the global net value of the Calvino Borrower, on the valuation date divided by the number of units outstanding.

The above value shall be communicated to investors through individual communication, within 15 working days from the date of calculation.

In case of exceptional circumstances which prevent the publication of the unit value of the Calvino Borrower's units, the Calvino SGR will inform the supervisory authority and the Calvino Borrower's unitholders in the same manner required for the publication of the value of the units.

The figure included into the Calvino Borrower's net asset value is not audited.

Operating Results

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and representations and warranties given by the same Calvino Borrower pursuant to the Calvino Loan Agreement (in this regard, see Section "*The Loan Portfolio and the Properties—Common Terms Relating to the Loans—Representations and Warranties*"), there are no significant factors including unusual or infrequent events or new developments materially affecting the Calvino Borrower's income from operations.

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and representations and warranties given by the same Calvino Borrower pursuant to the Calvino Loan Agreement (in this regard, see Section "*The Loan Portfolio and the Properties—Common Terms Relating to the Loans—Representations and Warranties*"), there are not governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Calvino Borrower's operations.

Capital Resources

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and representations and warranties given by the same Calvino Borrower pursuant to the Calvino Loan Agreement (in this regard, see Section "*The Loan Portfolio and the Properties—Common Terms Relating to the Loans—Representations and Warranties*"), there are not restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Calvino Borrower's operations.

Conflict of Interest

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and representations and warranties given by the same Calvino Borrower pursuant to the Calvino Loan Agreement (in this regard, see Section "*The Loan Portfolio and the Properties—Common Terms Relating to the Loans—Representations and Warranties*"), the Calvino SGR has not material potential conflicts of interest between its duty to the Calvino Borrower and duties owed by it to third parties and their other interests.

Administrative, Management and Supervisory Bodies of the Calvino SGR

Directors of the Calvino SGR

The directors of the SGR and their respective business addresses and their principal occupations are:

Name	Business Address	Principal Function
O'Connor Luke Justin	Via San Paolo 7, 20121, Milan, Italy	Chairman of the Board of Directors
Oriani Giuseppe		Chief executive officer
Fiorini Paola Enrica	Via San Paolo 7, 20121, Milan, Italy	Board Member
James Richard	Via San Paolo 7, 20121, Milan, Italy	Board Member
Ronchi Cristiano	Benington – Herts the Old Rectory – Walkern Road 2, United Kingdom	Board Member
Annunziata Filippo	Via San Paolo 7, 20121, Milan, Italy	Board Member
	Via San Paolo 7, 2012, Milan, Italy	

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and based on Italian mandatory rules governing the professional and reputational requirements for any director of an Italian SGR (and in particular article 13 of the Financial Act and articles 1 and 3 of the Ministerial Decree number 468 of 11 November 1998), none of the directors of the Calvino Borrower:

(a) has any convictions in relation of fraudulent offences for the previous 5 years; and

(b) was the subject of any public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a director or from acting in the management or conduct of the affairs of any entity for the previous 5 years.

As far as the Issuer is aware, none of the directors of the Calvino Borrower was a director of any company which was declared bankrupt, went into receivership or was liquidated in the previous 5 years.

As far as the Issuer is aware and is able to ascertain from information provided by the Calvino Borrower and based on Italian mandatory rules governing the management of possible conflict of interests within SGR (and in particular articles 37, 38 and 39 of the joint regulation of Bank of Italy and CONSOB dated 29 October 2007), there are no conflicts of interest between the private interests of the directors and their duties to the Calvino Borrower.

Advisory Committee of the Calvino SGR

In managing the Calvino Borrower, the Calvino SGR is assisted by an advisory committee established specifically in relation to the Calvino Fund and made up exclusively of representatives of the unitholders. The advisory committee will act solely as an advisory and control body, within the limits of the powers conferred upon it, while the board of directors of the SGR will be responsible for the management of the Fund.

The advisory committee will be composed of a minimum of three up to a maximum of seven members.

The members of the advisory committee shall serve for three years and may be reappointed.

The members of the advisory committee shall be individuals with an expertise in the relevant subjects dealt with by the advisory committee, such as, but not limited to, real estate, technical, financial, fiscal, economic and legal aspects related to the activity of the Calvino Fund.

SGR's Fees at the Charge of the Calvino Fund

The Calvino SGR is entitled to the following fees:

(a) a management fee equal to €175,000 or, if higher, to 0.35 per cent., on a yearly basis, of all the assets of the Calvino Fund as resulting from the last financial statements of the Calvino Fund (the "**Calvino Management Fee**"). The Calvino Management Fee is paid to the Calvino SGR *pro rata temporis* quarterly in arrears. Pending the approval of the first financial statements of the Calvino Fund, the Calvino Management Fee is due *pro rata temporis* on the amount of €175,000 per year. The Calvino Management Fee is due up until the liquidation of the Calvino Fund;

(b) an incentive fee due for any disinvestment of the Calvino Fund executed at a price equal or greater than the exit value of the investment as represented in the initial business plan of the Calvino Fund. Such incentive fee is applied as follows:

  (i) 0.60 per cent. of the Transfer Price, in case of assets sold within the first year of the start-up of the Calvino Fund;

  (ii) 0.50 per cent. of the Transfer Price, in case of assets sold within the second year of the start-up of the Calvino Fund;

  (iii) 0.45 per cent. of the Transfer Price, in case of assets sold within the third year of the start-up of the Calvino Fund;

  (iv) 0.30 per cent. of the Transfer Price, in case of assets sold within the fourth year of the start-up of the Calvino Fund; and

  (v) no incentive fee shall be due for assets sold after the fourth year of the start-up of the Calvino Fund; and

(c) a catching fee equal to 5 per cent. of the positive difference between the sum of all the prices of sale of the assets of the Calvino Fund and the overall exit value of the investment as represented in the initial business plan of the Calvino Fund. The catching fee is withdrawn at the end of the liquidation procedure of the Calvino Fund.

In this section, "**Transfer Price**" means the price at which an asset comprised into the Calvino Fund's portfolio is sold to the relevant purchaser.

The Calvino Loan Summary

Purpose of the Calvino Loan

The first drawing of the Calvino Loan financed the acquisition of the Properties located in Rome, Milan, Assago, Agrate, Ivrea and Turin and payment of any fees, costs and expenses, stamp registration, Imposta Sostitutiva, hedging costs and other Taxes, including VAT, incurred by the Calvino Borrower in connection with the acquisition of such Properties and the execution of the related Loan Finance Documents.

The second drawing of the Calvino Loan financed the acquisition of the Properties located in Treviso, Trieste and Mestre and payment of any fees, costs and expenses, stamp registration, Imposta Sostitutiva, hedging costs and other Taxes, including VAT, incurred by the Calvino Borrower in connection with the acquisition of such Properties and the execution of the related Loan Finance Documents.

Interest

Interest on the Calvino Loan will accrue during each Loan Interest Period at a per annum rate equal to Loan EURIBOR plus 3.25 per cent.

If a Borrower under the Calvino Loan fails to pay any amount payable by it under a Loan Finance Document on its due date, default interest will accrue on the overdue amount from the due date up to the actual date of payment at a rate equal to 2 per cent. per annum higher than the rate which interest on the Loan accrues, subject to the terms of the Loan Agreement.

Repayment and Prepayments of Principal

The Calvino Loan does not have scheduled amortisation. However, Calvino the Loan Agreement will provide for a cash trap if the principal balance of the Calvino Loan is not reduced to the Calvino Target Loan Amount at the dates provided in the definition thereof. For further details relating to the allocation of amounts upon a Calvino Cash Trap Event, see " *—Calvino Loan Accounts—Calvino Deposit Account*" below.

The Calvino Borrower is required to repay the Calvino Loan in full on the Loan Payment Date falling in August 2018, or if the Calvino Borrower exercises its extension option, on the Loan Payment Date falling in August 2019 (the "**Calvino Loan Maturity Date**").

The Calvino Borrower may exercise the extension option referred to above if:

(a) it has submitted a request to exercise such option no earlier than 60 days prior to, and no later than 30 days prior to, the Loan Payment Date falling immediately after 31 July 2018;

(b) on the Loan Payment Date falling immediately after 31 July 2018:

(i) the outstanding amount of the Calvino Loan is no greater than 25 per cent. of the amount of the Calvino Loan outstanding on 30 November 2014; and

(ii) the Calvino Debt Yield is equal to or greater than 11 per cent.;

(c) the Calvino Borrower has paid an extension fee equal to 1.0 per cent. of the Calvino Loan on the Loan Payment Date falling immediately after 31 July 2018 (the "**Calvino Extension Fee**");

(d) Calvino Hedging Agreements are in place until 31 October 2019 on terms satisfactory to the Lender; and

(e) no Loan Default has occurred and is continuing or would result from the exercise of the option hereunder.

Prepayment on Change of Control

If Savills Group ceases to hold, directly or indirectly, at least 50.1 per cent. of the share capital of the Calvino SGR, or the Calvino SGR ceases to be the managing company of the Calvino Borrower without the prior written consent of the Lender (a "**Calvino Change of Control**") then the commitment under the Calvino Loan shall be immediately cancelled and the Calvino Borrower shall be required to repay the Calvino Loan in full within 20 Loan Business Days of the occurrence of the Calvino Change of Control.

Prepayment if Calvino Core Lease Agreements are not in place

The Calvino Facility Agent may require the Calvino Borrower to prepay the Calvino Loan in full on the Loan Payment Date falling immediately after the 31 July 2017 (or at any date thereafter as may be determined by the Lender) if the Calvino Core Lease Agreements are not in place on such date. Any such request from the Calvino Facility Agent request shall be received by the Calvino Borrower by no later than 31 July 2017.

Missing Items

If the Calvino Borrower does not provide or resolve the Calvino Missing Items (to the satisfaction of the Calvino Facility Agent) and by 7 August 2015 and the Calvino Updated Valuation indicates the Calvino Market Value for the Calvino Properties will be insufficient for the Calvino Borrower to be in compliance with the Calvino Loan to Value Ratio financial covenant (see "*—Financial Covenants*" below) on such date then the Calvino Borrower shall prepay, within ten Loan Business Days of 7 August 2015, the Calvino Loan in an amount necessary to bring it into compliance with the financial covenant for the Calvino Loan to Value Ratio.

Other Mandatory Prepayments

The following amounts must be applied in prepayment of the Calvino Loan:

(a) any Calvino Cash Trap Amount which has been credited to the Calvino Deposit Account for two consecutive Loan Interest Periods shall be applied on the Loan Payment Date immediately after such Loan Interest Period in prepayment of the Calvino Loan;

(b) the amount of Loan Hedging Prepayment Proceeds;

(c) if the Calvino Borrower does not elect to apply the amount of any Calvino Insurance Prepayment Proceeds received by it in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant Calvino Insurance Prepayment Proceeds were received, the amount of Calvino Insurance Prepayment Proceeds;

(d) if the Borrower does not elect to apply the amount of any Calvino Compensation Prepayment Proceeds received by it in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant Calvino Compensation Prepayment Proceeds were received, the amount of Calvino Compensation Prepayment Proceeds;

(e) if the Borrower does not elect to apply, the amount of any Calvino Recovery Prepayment Proceeds received by it to satisfy any liability, charge or claim upon it and/or in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant Calvino Recovery Prepayment Proceeds were received, the amount of Calvino Recovery Prepayment Proceeds;

(f) the Calvino Release Amounts;

(g) the Calvino ICR Cure Amount; and

(h) the Calvino LTV Cure Amount.

Application of Mandatory Prepayments

Prepayments described in the paragraph above shall be applied as follows:

(a) Prepayments described in paragraph (a) of "*—Other Mandatory Prepayments*" above, as follows:

(i) in or towards prepayment of the Calvino Loan; and

(ii) in or towards payment of any Break Costs, any prepayment fees, any Calvino Unwinding Costs and any other amount that is or will become due and payable as a result of those prepayments.

(b) Prepayments described in paragraph (b) to (e) of "*—Other Mandatory Prepayments*" above shall be applied on the next Loan Payment Date after receipt, as follows:

(i) in or towards prepayment of the Calvino Loan; and

(ii) in or towards payment of any Break Costs, any prepayment fees, any Calvino Unwinding Costs and any other amount that is or will become due and payable as a result of those prepayments.

(c) Prepayments described in paragraph (f) of "*—Other Mandatory Prepayments*" above shall be immediately applied, as follows:

(i) in or towards prepayment of the Calvino Loan; and

(ii) in or towards payment of any Break Costs, any prepayment fees, any Calvino Unwinding Costs and any other amount that is or will become due and as a result of those prepayments.

(d) Prepayments described in paragraph (g) of "*—Other Mandatory Prepayments*" above shall be applied on the date described under "*—Financial Covenants—Cure Payments*" below, as follows:

(i) in or towards prepayment of the Calvino Loan; and

(ii) in or towards payment of any Break Costs, any prepayment fees, any Calvino Unwinding Costs and any other amount that is or will become due and payable as a result of those prepayments.

Voluntary Prepayment

The Calvino Borrower may, by, not less than five Loan Business Days (or such shorter period as the Lender may agree) prior notice to the Calvino Facility Agent, prepay the whole or any part of the Calvino Loan (but, if in part, in an amount that reduces the amount of the Calvino Loan by a minimum amount of €1,000,000 and integral multiples of €100,000).

Repayment Restrictions

Any prepayment of the Calvino Loan shall be made together with accrued interest on the amount prepaid and subject to any Break Costs, Calvino Unwinding Costs, if any and prepayment fees.

Fees

Prepayment Fee

The Calvino Borrower is required to pay a prepayment fee to the Calvino Facility Agent in respect of any prepayment made on or before the Loan Payment Date falling immediately after 31 July 2016 (the "**Calvino Prepayment Fee**"). The Calvino Prepayment Fee will be the net present value (to be calculated by the Calvino Facility Agent using a discount rate equivalent to the yields on the Italian Treasury Bond with a maturity date equivalent to the remaining period until the first anniversary date of utilisation of the Calvino Loan) of the difference between:

The Calvino Prepayment Fee to be paid in relation to any prepayment of any Calvino Release Amount made at any time before the Loan Payment Date falling immediately after 31 July 2015 will be the net present value (to be calculated by the Calvino Facility Agent using a discount rate equivalent to the euro swap rate indicated in the Euro Swaps Curve as shown in the FWCM <GO> page in Bloomberg screen for the remaining period until the first anniversary date of utilisation of the Calvino Loan) of the difference between:

(a) an amount equal to the Loan Margin calculated on the prepaid amount for the period starting from the date of utilisation of the Calvino Loan up to the first anniversary date of utilisation of the Calvino Loan; and

(b) the aggregate amount of the Loan Margin paid on the prepaid amount from the date of utilisation of the Calvino Loan up to the Loan Payment Date immediately following the relevant prepayment.

The Calvino Prepayment Fee to be paid in relation to any prepayment not related to a Calvino Release Amount will be the net present value (to be calculated by the Calvino Facility Agent using a discount rate equivalent to the euro swap rate for the remaining period until the second anniversary date of utilisation of the Calvino Loan) of the difference between:

(a) an amount equal to the Loan Margin calculated on the prepaid amount for the period starting from the date of utilisation of the Calvino Loan up to the second anniversary date of utilisation of the Calvino Loan; and

(b) the aggregate amount of the Loan Margin paid on the prepaid amount from the date of utilisation of the Calvino Loan up to the Loan Payment Date immediately following the relevant prepayment.

No prepayment fee is payable if the prepayment is one of the following mandatory prepayments of the Calvino Loan: (a) a mandatory prepayment as a result of illegality (see "*—Common Terms Relating to the*

Loans—Illegality" below), (b) a Calvino Cash Trap Amount applied in the manner described under item (i) under "*—Repayment and Prepayment of Principal—Other Mandatory Prepayments*" above), (c) Calvino Insurance Prepayment Proceeds or Calvino Compensation Prepayment Proceeds applied in the manner described under (iii) and (iv) of "*—Repayment and Prepayment of Principal—Other Mandatory Prepayments*" above), (d) a Calvino Release Amount applied in mandatory prepayment of the Calvino Loan following the Loan Payment Date falling immediately after 31 July 2015, (e) a Calvino ICR Cure Amount or Calvino LTV Cure Amount applied in mandatory prepayment of the Calvino Loan, or (f) a prepayment following the acceleration of the Loan on or after a Loan Event of Default.

Hedging Arrangements

The Calvino Borrower was required under the Calvino Loan to enter into hedging agreements which meet the following requirements:

(a) The aggregate notional amount of the transactions in respect of the Calvino Hedging Agreements shall be 100 per cent. of the Calvino Loan at all times.

(b) Each Calvino Hedging Agreement shall:

(i) be with a bank or financial institution which is a counterparty that satisfies the Requisite Rating who must accede to the Calvino Loan Agreement;

(ii) be for a term ending on the Calvino Loan Maturity Date;

(iii) have settlement dates coinciding with the Loan Payment Dates; and

(iv) be based on an ISDA Master Agreement and otherwise in form and substance satisfactory to the Lender.

The Calvino Borrower and Calvino Hedging Counterparty:

(a) may not amend, supplement, extend or waive the terms of any Calvino Hedging Agreement (other than changes of an administrative and mechanical nature which do not conflict with the Calvino Loan Agreement) without the consent of the Lender; and

(b) may not terminate or close out any transactions in respect of any Calvino Hedging Agreement (in whole or in part) except:

(i) if an Illegality (as that term is defined in the applicable ISDA Master Agreement) has occurred;

(ii) if the Calvino Loan and other amounts outstanding under the Loan Finance Documents (other than the Calvino Hedging Agreements) have been unconditionally paid and discharged in full;

(iii) in the case of termination or closing out by the Calvino Hedge Counterparty, if the Agent serves notice accelerating the Calvino Loan, makes a demand; or

(iv) in the case of any other termination or closing out by a Calvino Hedge Counterparty or the Calvino Borrower, with the consent of the Lender.

If a Calvino Hedge Counterparty is entitled to terminate or close out any transaction in respect of any Calvino Hedging Agreement for the reasons given in sub-paragraph (C) above, such Calvino Hedge Counterparty shall promptly terminate or close out such transaction following a request to do so by the Calvino Security Agent.

The Calvino Hedge Counterparty may only suspend making payments under a transaction in respect of a Calvino Hedging Agreement if the Borrower is in breach of its payment obligations under any transaction in respect of that Calvino Hedging Agreement.

In order to comply with its obligations under the Loan Agreement, the Calvino Borrower entered into the Calvino Interest Rate Cap Transaction. See "*Description of the Hedging Arrangements*" in this Offering Circular.

Calvino Loan Accounts

The Calvino Borrower is required to maintain a rent account (the "**Calvino Rent Account**"), five deposit accounts designated as the "**Calvino Expenses Account**", the "**Calvino Deposit Account**" the "**Calvino Disposals Account**" and the "**Calvino Cure Payment Account**" and a current account designated, the "**Calvino General Account**". Each account must be held at the Calvino Depositary Bank.

Calvino Rent Account

The Calvino Borrower is required to ensure that all Rental Income and all amounts payable to it under any Calvino Hedging Agreement (other than Loan Hedging Prepayment Proceeds but including any VAT) are paid into the Calvino Rent Account. On each Loan Payment Date for the Calvino Loan, the Calvino Facility Agent is required to apply the amount in the Calvino Rent Account in the following order:

(a) *first*, in or towards payment of the amount corresponding to the Calvino Permitted Expenses coming due and payable in the following Loan Interest Period to the Calvino Expenses Account;

(b) *secondly*, in or towards payment of the Loan Finance Parties' costs and expenses, the fees payable to the Calvino Facility Agent and Calvino Security Agent;

(c) *thirdly*, in or towards payment of any accrued interest on any Calvino Property Protection Loans;

(d) *fourthly*, in or towards payment of any principal of Calvino Property Protection Loans due but unpaid under the Calvino Loan Agreement;

(e) *fifthly*, in or towards payment *pro rata*:

(i) to the Lender, the Calvino Facility Agent or the Calvino Security Agent of any accrued interest and fees; and

(ii) to the Calvino Hedge Counterparty of any periodical payments (not being payments as a result of termination or closing out) due under the Calvino Hedging Agreements;

(f) *sixthly*, in or towards payment *pro rata*:

(i) to the Calvino Facility Agent for the Lender of any principal due; and

(ii) to the Calvino Hedge Counterparty of any payments as a result of termination or closing out due but unpaid under the Calvino Hedging Agreements;

(g) *seventhly*, in or towards payment of any other sum due under the Loan Finance Documents;

(h) *eighthly*, if a Calvino Cash Trap Event has occurred and is continuing, in payment of any surplus into the Calvino Deposit Account (a "**Calvino Cash Trap Amount**"); and

(i) *ninthly*, payment of any surplus into the Calvino General Account.

A withdrawal may only be made from the Calvino Rent Account if no Loan Default is outstanding. Upon the occurrence of a Loan Event of Default, the Calvino Security Agent is authorised to suspend any withdrawal from the Calvino Rent Account, except for VAT, any other Tax due in relation to the Calvino Properties and any amounts due under the Loan Finance Documents.

The Calvino Borrower is also authorised to makes withdrawals from the Calvino Rent Account:

(a) during the first Loan Interest Period, for payment of Calvino Permitted Expenses payable in such Loan Interest Period; and

(b) until the Calvino Loan Maturity Date and to the extent that there are not sufficient funds credited into the Calvino Expenses Account, to pay Tax or insurance premia.

Calvino Expenses Account

The Calvino Borrower is required to apply the amounts standing to the credit of the Calvino Expenses Account to pay the Calvino Permitted Expenses. Upon the occurrence of a Loan Event of Default, the Calvino Security Agent is authorised to suspend withdrawals from the Calvino Expenses Account.

Calvino Deposit Account

The Calvino Borrower is required to ensure that all Loan Hedging Prepayment Proceeds, all Calvino Insurance Prepayment Proceeds, all Calvino Compensation Prepayment Proceeds and all Calvino Recovery Prepayment Proceeds are paid in to the Calvino Deposit Account. Such amounts will be applied on each Loan Payment Date as described above under ("*—Repayment and Prepayment of Principal—Other Mandatory Prepayments*").

Amounts credited to the Calvino Deposit Account in respect of a Calvino Cash Trap Event shall be released to the Calvino General Account on the first Loan Payment Date on which the applicable Calvino Cash Trap Event has been cured or a compliance certificate is delivered showing that the relevant Calvino Cash Trap Event is no longer continuing. If, however, a Calvino Cash Trap Event continues for more than two consecutive Loan Interest Periods, then on the Loan Payment Date following the second Loan Interest Period, the Calvino Cash Trap Amount shall be applied in prepayment of the Calvino Loan.

The Calvino LTV Cure Amount and the Calvino ICR Cure Amount will be applied on each Loan Payment Date as described above in "*—Repayment and Prepayments of Principal—Other Mandatory Prepayments*".

Upon the occurrence of a Loan Event of Default, the Calvino Security Agent is authorised to suspend any withdrawals from the Calvino Deposit Account.

Calvino Disposals Account

The Borrower is required to ensure that the Calvino Release Amount of a Calvino Property is, unless immediately applied in prepayment of the Calvino Loan, paid into the Calvino Disposals Account. On each Loan Payment Date immediately following the relevant disposal, the Calvino Borrower must apply the amounts standing to the credit of the Calvino Disposals Account in prepayment of the Calvino Loan.

Upon the occurrence of a Loan Event of Default, the Calvino Security Agent is authorised to suspend any withdrawals from the Calvino Disposals Account.

Calvino Cure Payment Account

The Borrower is required to ensure that amounts deposited from time to time on the Calvino Cure Payment Account are applied as described under "*—Financial Covenants—Cure Payments*" below.

Upon the occurrence of a Loan Event of Default, the Calvino Security Agent is authorised to suspend withdrawals from the Calvino Cure Payment Account.

Calvino General Account

The Borrower may apply amounts standing to the credit of the Calvino General Account as it see fit, provided that upon the occurrence of a Loan Event of Default, the Calvino Security Agent is authorised to suspend withdrawals from the Calvino General Account.

Financial Covenants

The Calvino Borrower is required under the Calvino Loan Agreement to ensure that;

(a) the Calvino Interest Cover Ratio is, at any Calvino Test Date, at least 1.50 per cent.; and

(b) the Calvino Loan to Value Ratio does not, at any time, exceed 75 per cent.

In these financial covenants:

"**Calvino ICR Cure Amount**" means, in case of breach of the Calvino Interest Cover Ratio covenant, the amount that would ensure, on the relevant Calvino Test Date that the Calvino Borrower is in compliance with

such Calvino Interest Cover Ratio covenant if recalculated adding such amount to the Calvino Projected NRI or Calvino LTM NRI, as the case may be.

"**Calvino Interest Cover Ratio**" means, in respect of any Calvino Test Date, the lower of:

(a) the Calvino Historical Interest Cover; and

(b) the Calvino Projected Interest Cover.

"**Calvino Loan to Value Ratio**" means, at any time, the Calvino Loan as a percentage of the aggregate Calvino Market Value of the Calvino Properties (determined in accordance with the most recent Valuation of the Properties at that time).

"**Calvino LTM NRI**" means the Net Rental Income for the 12 months (or such shorter period if applicable) ending on the relevant Calvino Test Date, provided that rental arrears actually collected under item (iv)(A) of the Net Rental Income shall be fully accounted for.

"**Calvino LTV Cure Amount**" means, in case of breach of the Calvino Loan to Value Ratio covenant, the amount that would ensure the Borrower is in compliance with such Calvino Loan to Value Ratio covenant if recalculated taking such amount into account as if applied in reduction of the Calvino Loan.

"**Calvino Projected Interest Cover**" means, as at any Calvino Test Date, the Calvino Projected NRI for the calculation period commencing on that Calvino Test Date as a percentage of finance costs at that Calvino Test Date, on a best estimate basis subject to letter (e) below. For the purposes of this definition:

(a) "**calculation period**" means a period of 12 months commencing on such Calvino Test Date or, if less, the period from the date as at which the relevant calculation is made to the Calvino Loan Maturity Date;

(b) "**finance costs**" means the aggregate amount of interest and periodic fees payable to the Loan Finance Parties during any calculation period in respect of which Calvino Projected NRI has been calculated;

(c) in calculating finance costs any amount payable or receivable by the Calvino Borrower during the relevant calculation period under any Calvino Hedging Agreements will be assumed;

(d) for the purpose of Calvino Projected NRI, best estimates of future property irrecoverable costs (including service charge shortfalls and other property operating expenses), operating expenses expected to be incurred by the Calvino Borrower in the ordinary activity and management of the Calvino Borrower, asset management fees (if applicable) and SGR management fees will be deducted; and

(e) the Calvino Borrower shall, at the request of the Calvino Facility Agent provide the Calvino Facility Agent with the details of the calculation of the Calvino Projected Interest Cover but if the Calvino Borrower does not provide such details when requested or the Lender disagrees with the calculation provided then the Calvino Facility Agent and the Calvino Borrower shall enter into a five Loan Business Days consultation in order to agree on such calculation, it being understood that during such consultation period no distribution can be made and if such agreement is not reached within the mentioned period the Calvino Facility Agent is entitled to calculate Calvino Projected Interest Cover and that calculation of the Calvino Facility Agent shall prevail over any calculation by the Calvino Borrower.

"**Calvino Projected NRI**" means the Net Rental Income for the 12 months (or such shorter period, if applicable) commencing on the relevant Calvino Test Date.

"**Calvino Test Date**" means:

(a) with reference to the Calvino Interest Cover Ratio, each Loan Payment Date; and

(b) with reference to the Calvino Loan to Value Ratio, each Loan Payment Date falling on 7 February and 7 August of each year.

"**Calvino Historical Interest Cover**" means, as at any Calvino Test Date, the Calvino LTM NRI for the calculation period ending on that Calvino Test Date as a percentage of finance costs at that Calvino Test Date, on a best estimate basis subject to (d) below. For the purposes of this definition:

(a) "**calculation period**" means a period of 12 months ending on such Calvino Test Date or, if less, the period from the first day on which the Calvino Loan was drawn to the date as at which the relevant calculation is made;

(b) "**finance costs**" means the aggregate amount of interest and periodic fees paid to the Loan Finance Parties during any calculation period in respect of which Calvino LTM NRI has been calculated;

(c) in calculating finance costs any amount paid or received by the Calvino Borrower during the relevant calculation period under any Calvino Hedging Agreements will be taken into account;

(d) the Calvino Borrower shall, at the request of the Calvino Facility Agent, instructed as such by the Lender, provide the Calvino Facility Agent with the details of the calculation of the Calvino Historical Interest Cover but if the Calvino Borrower does not provide such details when requested or the Lender disagree with the calculation provided then the Calvino Facility Agent and the Calvino Borrower shall enter into a five Loan Business Days consultation in order to agree on such calculation, it being understood that during such consultation period no distribution can be made by the Calvino Borrower and if such agreement is not reached within the mentioned period the Calvino Facility Agent is entitled to calculate Calvino Historical Interest Cover and that calculation of the Calvino Facility Agent shall prevail over any calculation by the Calvino Borrower.

Cure Payments

The Calvino Borrower shall be deemed to have not breached the Calvino Interest Cover Ratio covenant if on or before the date falling five Loan Business Days after the date on which a compliance certificate evidencing that the Calvino Interest Cover Ratio covenant is breached is delivered to the Calvino Facility Agent, the Calvino Borrower deposits into the Calvino Cure Payment Account a Calvino ICR Cure Amount that would ensure that the Calvino Borrower is in compliance with the Calvino Interest Cover Ratio covenant.

If a Calvino ICR Cure Amount has been paid and the breach of the Calvino Interest Cover Ratio covenant remains remedied on two consecutive Loan Payment Dates (without taking into account the existence of that Calvino ICR Cure Amount or any other cure payment) the Calvino Facility Agent, after being authorised in writing by the Lender, shall release such amount with any interest paid on it to the Calvino General Account. If a breach of the Calvino Interest Cover Ratio covenant continues on two consecutive Loan Payment Dates, the Calvino Facility Agent, after being authorised in writing by the Lender, shall apply the Calvino ICR Cure Amount standing to the credit of the Calvino Cure Payment Account at such date, plus any interest paid on that amount, in prepayment of the Calvino Loan on the second such Loan Payment Date.

The Calvino Borrower shall be deemed to have not breached the Calvino Loan to Value Ratio covenant if, on or before the date falling five Loan Business Days after the date on which a compliance certificate evidencing that the Calvino Loan to Value Ratio is breached is delivered to the Calvino Facility Agent, the Calvino Borrower either:

(a) makes a voluntary prepayment of the Calvino Loan for a Calvino LTV Cure Amount that would ensure that the Calvino Borrower is in compliance with the Calvino Loan to Value Ratio covenant; or

(b) deposits into the Calvino Cure Payment Account a Calvino LTV Cure Amount that would need to be prepaid to effect a cure pursuant to sub-paragraph (i) above.

If a Calvino LTV Cure Amount has been paid and the breach of the Calvino Loan to Value Ratio covenant is remedied and remains remedied on two consecutive Loan Payment Dates (without taking into account the existence of such Calvino LTV Cure Amount or any other cure payment) the Calvino Facility Agent, after being authorised in writing by the Lender, shall release such amount with any interest paid on it to the Calvino General Account. If a breach the Calvino Loan to Value Ratio covenant continues on two consecutive Loan Payment Dates, the Calvino Facility Agent, after being authorised in writing by the Lender, shall apply all amounts equal to the Calvino LTV Cure Amount standing to the credit of the Calvino Cure Payment Account at such date, plus any interest paid on that amount, in prepayment of the Calvino Loan on the second such Loan Payment Date.

The Borrower may not make use of the cure rights described above more than four times, on aggregate basis, during the term of the Calvino Loan and on more than two consecutive Calvino Test Dates, in each case, for each of the Calvino Interest Cover Ratio and the Calvino Loan to Value Ratio.

Valuations

The Calvino Borrower is required to deliver a Calvino Updated Valuation to the Calvino Facility Agent

(a) on each Calvino Test Date related to the Calvino Loan to Value Ratio;

(b) at any time but for no more than twice for each calendar year, when a Loan Event of Default is continuing if so requested by the Calvino Facility Agent, upon written instructions of the Lender;

(c) at any time, when the Lender reasonably believes that a breach of the Calvino Loan to Value Ratio covenant is likely to be evidenced as a result of obtaining such Calvino Updated Valuation.

The Calvino Borrower is required to pay the costs of any Calvino Updated Valuation, except a Calvino Updated Valuation commissioned pursuant to (iii) above, save when the alleged breach of the Calvino Loan to Value Ratio covenant is confirmed. The Lender may, at its own expense commission a Calvino Updated Valuation at any time.

Property Disposals

The Calvino Borrower is restricted from disposing in whole or in part of any Calvino Property unless the relevant disposal is for no less than the Calvino Release Amount (or, as an alternative, the relevant shortfall is covered by cash standing to the credit of the Calvino General Account) and all the following conditions are satisfied in connection with such disposal (a "**Calvino Permitted Disposal**"):

(a) the Calvino Borrower complied with its obligations under the Calvino Loan Agreement to provide certain information about the disposal;

(b) no Loan Event of Default is continuing and no Loan Default or Loan Event of Default would result from the disposal;

(c) the disposal of the Calvino Properties located in Rome and Assago is for the asset as a whole; and

(d) the disposal is on arm's length terms to an unrelated third party for a cash consideration.

The Calvino Borrower is required to ensure that the Calvino Release Amounts must be immediately applied either in prepayment of the Calvino Loan.

In this section:

"**Calvino Allocated Loan Amount**" means, with respect to a Calvino Property, the amount set out in the table below. Following a material variation (being any variation in the Calvino Market Value of a Calvino Property which is in excess of 20 per cent.) of the Calvino Market Value of a Calvino Property, upon request of the Calvino Facility Agent the Calvino Allocated Loan Amount shall be amended so as that the ratio between (i) the sum of the Calvino Allocated Loan Amount and (ii) the Calvino Market Value, is constant for each Calvino Property.

Property (Short Name)	Address of Property	Calvino Market Value on the respective First Utilisation Date	Calvino Allocated Loan Amount
Roma	Via Pianciani 26, Rome	€32,700,000	€22,771,000
Milano	Viale Sarca 222, Milan	€7,300,000	€11,617,000
Assago	Assago Milano Fiori, strada 1	€37,900,000	€25,450,000
Agrate	Via Paracelso 22-24-26, Agrate Brianza	€10,150,000	€5,415,000
Ivrea	Via Jervis 9, Ivrea	€15,450,000	€10,452,000
Torino	Via Vincenzo Lancia 55, Torino	€32,100,000	€21,396,000
Treviso	Via Sante Zanon 7, Treviso	€3,500,000	€2,298,000
Trieste	Via Giovanni Verga 5, Trieste	€1,420,000	€932,000

Property (Short Name)	Address of Property	Calvino Market Value on the respective First Utilisation Date	Calvino Allocated Loan Amount
Mestre	Via Tevere 34, Venezia - Mestre	€1,780,000	€1,169,000

"**Calvino Release Amount**" means, in relation to a Calvino Permitted Disposal an amount in euro equal to the aggregate of:

(a) the higher of (x) 65 per cent. of the Calvino Net Disposal Proceeds and (y) 115 per cent. of the Calvino Allocated Loan Amount of such Property;

(b) an amount determined by the Calvino Facility Agent, in consultation with the Calvino Hedge Counterparties, to provide for Break Costs, if any, prepayment fees, if any, any Calvino Unwinding Costs and any other amounts that will be come due and payable as a result of the application of such Calvino Release Amount in prepayment of the Calvino Loan; and

(c) in case the Calvino Net Disposal Proceeds are not sufficient to cover the sum of the costs of (a) and (b) above, the cash standing to the credit of the Calvino General Account up to the amount necessary to cover such shortfall and to be used together for the purposes of making any mandatory prepayment.

"**Calvino Disposal Costs**" means in relation to a Calvino Permitted Disposal, any duly documented third party costs and expenses (including any amount due and payable in accordance with the relevant provisions of the fund's regulations and any amount which represents applicable VAT or Tax payable, as well as legal and notarial costs and brokerage costs), reasonably incurred by the Calvino Borrower in accordance with good industry practice.

"**Calvino Net Disposal Proceeds**" means, upon a Calvino Permitted Disposal, the disposal proceeds derived from that Calvino Permitted Disposal after deducting any Calvino Disposal Costs incurred in connection with that disposal.

"**Calvino Unwinding Costs**" means any amounts payable by the Calvino Borrower as a result of terminating all or part of any Calvino Hedging Agreement.

The Calvino Borrower must provide the Calvino Facility Agent, (i) with at least five Loan Business Days' prior written notice, of the execution of any preliminary agreement relating to the disposal of the Calvino Property, and (ii) with at least ten Loan Business Days prior written notice, of any intended disposal of the Calvino Property, supplying, within the same term, the Calvino Facility Agent with a report specifying (a): the Calvino Release Amount; (b) the amount that will be prepaid upon the relevant proposed disposal; and (c) the latest available Calvino Market Value and the purchase value of the Calvino Property which is the subject of the proposed disposal.

Property Management

The Calvino SGR will act as managing agent, provided that it is entitled to appoint a dedicated managing agent, the fees of the Calvino SGR are described in section "*—The Calvino Borrower—SGR's Fees at the Charge of the Calvino Fund*".

Permitted Guarantees

The Calvino Borrower may not give or allow to be outstanding any guarantee or indemnity to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which the Calvino Borrower assumes any liability of any other person.

Permitted Financial Indebtedness

The Calvino Borrower has agreed not to incur financial indebtedness other than (i) any financial indebtedness incurred under the Calvino Loan Agreement; (ii) any Calvino Property Protection Loan made in accordance with the Calvino Loan Agreement, and (iii) other financial indebtedness of an amount from time to time which does not exceed €2,000,000 in aggregate.

Permitted Security

The Calvino Borrower may not grant any security over any of its assets other than the Loan Transaction Security and any lien arising by operation of law and in the ordinary course of trading.

Calvino Sale Mandate

Within 30 days from the occurrence of any Calvino Sale Mandate Trigger Event, the Calvino Borrower shall execute an irrevocable sale mandate (*mandato con rappresentanza*) pursuant to article 1723 of the Civil Code also in the interest of the Lenders substantially in compliance with at least the following principles:

(a) such sale mandate is granted to a third independent party of primary standing acceptable for the Calvino Lender;

(b) such sale mandate shall become effective only upon acceleration of the Calvino Loan;

(c) the sale of the Calvino Property is carried out at a price based on an independent valuation of the value of the Calvino Property; and

(d) any proceeds from the sale of the Calvino Property remaining after full repayment of all outstanding obligations under the Calvino Loan Agreement will be paid to the Calvino Borrower.

In this paragraph:

"**Calvino Sale Mandate Trigger Event**" means any of:

(a) a Calvino Relevant Default; or

(b) the Calvino Interest Cover Ratio being equal to or less than 1.60x; or

(c) the Calvino Loan to Value Ratio being equal to or greater than 72.5 per cent.

Distributions

The Calvino Borrower is not permitted to carry out distributions of proceeds to its unitholders or early repayments of the units of the Calvino Borrower unless:

(a) the distribution or the redemption is using funds freely available to it on the Calvino General Account;

(b) such distribution or redemption is in compliance with the regulations of the Calvino Borrower;

(c) it is in compliance with all its payment obligations under any Loan Finance Document;

(d) the last compliance certificate for the immediately preceding Calvino Test Date stated that the financial covenants under the Calvino Loan Agreement have been complied with and such distribution and redemption is made after the end of the ten Loan Business Day period immediately after the date on which the relevant compliance certificate has been delivered to the Calvino Facility Agent; and

(e) no Calvino Cash Trap Event or Loan Default is continuing or would result from the proposed distribution or redemption.

The Fashion District Borrower

The information in relation to the Fashion District Borrower has been sourced from information provided by the Fashion District SGR (as defined below). The Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information provided by Fashion District SGR, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The full legal name of the Fashion District Borrower is "*MOMA*", a closed-ended real estate speculative fund, represented by and acting through its managing company, Idea Fimit Società Di Gestione Del Risparmio S.P.A., (the "**Fashion District SGR**").

The Fashion District SGR is a "*società per azioni*" duly incorporated on 12 June 1998 and validly existing under the laws of Italy, with registered office at Via Mercadante 18, Rome, Italy, with share capital of €16,757,556.96, registered with the companies' register of Roma, VAT No. 05553101006, phone number +39 06 681631 and has obtained all consents, approvals, licences and authorisations pursuant to the Legislative Decree number 58 of 24 February 1998 ("**Financial Act**") and all other applicable laws to manage the Fashion District Borrower (including but not limited to the authorisation to carry out collective portfolio managing activities as defined under article 1, paragraph 1, letter n), and article 32- quarter of the Financial Act and is registered under number 18 of the Register (Albo) held by Bank of Italy pursuant to article 35, paragraph 1, of the Financial Act) acting on behalf of the Fashion District Borrower which is a real state speculative investment fund reserved to qualified investors pursuant to articles 12-bis and 15 of the Ministry of Economics and Finance decree number 228 of 24 May 1999, established in accordance with the transitional rule provided under article 15, para. 9, of the Italian legislative decree number 44 of 4 March 2014, implementing Directive 2011/61/EU on alternative investment fund managers. The Fashion District Borrower is subject to the regulatory and supervisory power of both the CONSOB and the Bank of Italy.

The Fashion District Borrower has been established through resolution of the Fashion District SGR's board of directors on 8 July 2014.

The Fashion District SGR is an asset management company, specialized on real estate investment funds; in particular, as of today, is specialized in the fund management activity, ranging from research and development of new investment opportunities to management of complex real estate portfolios. The Fashion District SGR's activities follow three main lines: (i) the development of real estate investment funds for institutional clients and private savers; (ii) the promotion of innovative real estate finance instruments with the purpose of satisfying the growing needs of investors; (iii) the professional management of the real estate funds from the technical, administrative and financial viewpoints through the collaboration with professionals who belong to its structure and the best independent technical, legal and tax advisors on the market.

The Fashion District SGR has a wide spectrum of investors and is the privileged partner of the most important Italian pension funds: it has approximately 80 institutional investors and over 70,000 retail investors.

Investment Objective, Policy, and Investment Restrictions and Borrowing Limits of the Fund

According to clauses 7 and 8 of the regulations of the Fashion District Borrower (the "**Fashion District Fund Regulations**"):

(a) the purpose of the Fashion District Borrower are the collective investment of the funds raised, aimed at achieving, through the professional management of the Fashion District Borrower itself, in view of a subsequent sale, an increase in the value of the investments and the allocation and distribution of net results of the operations following the disposal of the investments made. The Fashion District SGR identifies and makes such investments which by nature and for their inherent characteristics appear appropriate to increase the value of the Fashion District Borrower, assessing the overall risk of the portfolio;

(b) the Fashion District Borrower's assets may be invested in real estate assets, real property rights, including those arising from property leasing contracts with transferring effects and from concessions, and interests in real estate companies and real estate undertakings for collective investment ("**UCI**"), including foreign UCIs, for not less than two-thirds of the total Fashion District Borrower's assets;

(c) the Fashion District Borrower's assets may be invested, up to a residual share not exceeding one-thirds of its total value, in financial instruments listed on regulated markets, Italian and/or foreign UCIs, bank deposits, loans and debt securities, other assets for which a market exists and which have a value determined with certainty at least every six months; and

(d) the Fashion District Borrower's assets may be invested, either directly or through subsidiaries, also for more than one-third, in a single property with unitary urban and functional characteristics.

The whole Fashion District Borrower's portfolio has been invested in properties.

The Fashion District Borrower may borrow up to 90 per cent. of the value of its real estate, property rights and interests in property companies and up to 20 per cent. of the value of other assets in its portfolio. The value of real estate, property rights and interests in property companies, to be used as a reference to calculate the limit of borrowing for real estate investment funds, is equal to the average between the historical cost and the value as

determined in accordance with the evaluation criteria of the fund's assets. If the current value of the property is less than the historical cost of the same and remains so for at least one year, the reference value for the calculation of the limit of borrowings is the present value.

The Fashion District Fund Regulations do not contain specific provision concerning the change of the Fashion District Borrower's investment policy.

In managing the Fashion District Borrower, the Fashion District SGR may grant and take up loans, in the manner and to the extent permitted by the applicable *pro-tempore* prevailing regulations. The Fashion District Borrower, as speculative fund, during its entire duration, may borrow up to 90 per cent. of the value of its real estate, property rights and interests in property companies and up to 20 per cent. of the value of other assets in its portfolio. The value of real estate, property rights and interests in property companies, to be used as a reference to calculate the limit of borrowing for real estate investment funds, is equal to the average between the historical cost and the value as determined in accordance with the evaluation criteria of the fund's assets. If the current value of the property is less than the historical cost of the same and remains so for at least one year, the reference value for the calculation of the limit of borrowings is the present value. Taking out loans for an amount equal to 90 per cent. of the value of the real estate, property rights and interests in property companies, involves - where the assets of the Fund is entirely made up of such activities - a net debt equal to 90 per cent. of the total net value of the Fashion District Borrower.

Units issued by the Fashion District Borrower

The nominal value of each unit is equal to €500,000.

The aggregate initial amount of the Fashion District Borrower's assets is set between a minimum of €40,000,000 and a maximum of €500,000,000.

Investment in the units is reserved to qualified investors.

Major Unitholders

All the units in the Fashion District Borrower are owned by MOMA Holdco S.à r.l.

The Fashion District Fund Regulations (i) do not provide for different voting rights for the case of plurality of unitholders and (ii) do not contain provisions aimed at ensuring that a major unitholder does not abuse of its controlling power (if any).

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, no director of the Fashion District SGR has, directly or indirectly, an interest in Fashion District Borrower 's capital or voting rights, which is notifiable under the Fashion District Borrower 's national law.

Unitholders Meeting

The meeting is convened by the Fashion District SGR in Italy, even outside of the registered office of the Fashion District SGR, by notice stating the day, time and place of the meeting and the list of matters to be discussed.

The Fashion District SGR informs the unitholders that the meeting has been convened by means of a notice in compliance with the legislation in force from time to time, by the same means used to communicate the value of the unit, at least 15 days before the meeting. The notice shall contain information on the date, place, time and agenda of the meeting.

The meeting shall be deemed to be validly constituted, even if the above formalities are not observed, provided 100 per cent. of the issued units is represented, even by proxy, and none of the unitholders opposes the discussions in agenda.

Each holder of the Fashion District Borrower's units at the date of the meeting has the right to attend the meeting.

Auditors of the Fund

The Fashion District Borrower shall publish audited financial statements on an annual basis. The independent auditors of the Fashion District Borrower is K.P.M.G. S.p.a., with its registered office at Via Vittor Pisani 25, 20124, Milan, Italy.

Financial Statements

Since its date of incorporation, the Fashion District Borrower has not prepared financial statements.

Custodian of the Fund

The full legal name of the custodian of the Fashion District Borrower is Caceis Bank Luxembourg, Milan Branch, with its registered office at Piazza Cavour 2, 20123 Milan, Italy. The custodian has been incorporated on 17 October 2013 and enrolled as an Italian branch of foreign banks with the register held by the Bank of Italy pursuant to article 13 of the Banking Act, at No. 5726, phone number +39 02 721 7441.

The custodian of the Fashion District Borrower is subject to the regulatory and supervisory power of both the CONSOB and the Bank of Italy.

The custodian in the execution of the assignment awarded by the Fashion District SGR is required to perform the duties required by the prevailing laws, in particular the custodian is required to (i) keep under its control the financial instrument and the cash of the fund, (ii) verify the validity of the issue and repurchase of the units of the fund, (iii) verify the compliance of the calculation of the value of the units of the fund, or, if authorized by the Fashion District SGR, calculate itself such value and (iv) execute the instructions of the Fashion District SGR.

The assignment of the custodian is conferred for an undetermined period, subject to the right of the Fashion District SGR to revoke such mandate at any time. The custodian may waive the mandate by providing prior notice of no less than 6 months. The effect of any such revocation or waiver is suspended until:

(a) Another custodian in possession of the requirements set out by the law accepts the assignment in substitution of the previous one;

(b) The subsequent amendment of the regulations is approved by the Fashion District SGR, and, where required by the prevailing pro-tempore laws, by the Bank of Italy;

(c) The financial instruments and liquid assets of the Fashion District Borrower are transferred to the new custodian.

With the consent of the Fashion District SGR, for the custody of the Fashion District Borrower's assets, the custodian may rely, under its own responsibility, on sub-custodian.

Material Contracts

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, apart from the transaction documents to which it is a party, the Fashion District Borrower has not entered into any material contracts other than in the ordinary course of its business.

Legal and Arbitration Proceedings

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Fashion District Borrower is aware) which may have or have had since its incorporation a significant effect on the Fashion District Borrower's financial position or profitability.

Valuer

The valuer of the Fashion District Borrower is Cushman & Wakefield LLP.

Servicer

The servicer for the Fashion District Borrower is the Fashion District SGR.

Portfolio

See sections "*The Fashion District Loan and Properties*" and "*The Fashion District Properties*".

Net Asset Value

The assessment of the global net value of the Fashion District Borrower and of the unit value shall be made (i) quarterly by the board of directors of the Fashion District SGR, within 30 days after the end of each quarter ended on 31 March and 30 September of each year, (ii) in conjunction with the respective infra-annual report, within 30 days after the end of each quarter ended on 30 June of each year, (iii) in conjunction with the semi-annual report, and within 60 days after the end of each quarter ended on 31 December of each year, (iv) in conjunction with the annual report, or of a shorter period in relation to which the distribution of the proceeds is made. The global net value of the Fashion District Borrower's assets is determined according to the evaluation criteria of the property funds' assets established by the Bank of Italy.

The value of the units of the Fashion District Borrower is equal to the global net value of the Fashion District Borrower divided by the number of units outstanding on the valuation date. The above value shall be communicated to participants through individual communication, within 30 working days from the date of calculation.

In case of exceptional circumstances which prevent the publication of the unit value of the Fund's units, the Fashion District SGR will inform the supervisory authority and the Fashion District Borrower's unitholders in the same manner required for the publication of the value of the units.

The figure included into the Fashion District Borrower's net asset value is not audited.

Operating Results

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, there are no significant factors including unusual or infrequent events or new developments materially affecting the Fashion District Borrower's income from operations.

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, there are not governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Fashion District Borrower's operations.

Capital Resources

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, there are not restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the Fashion District Borrower's operations.

Conflict of Interest

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, the Fashion District SGR has not material potential conflicts of interest between its duty to the Fashion District Borrower and duties owed by it to third parties and their other interests.

Administrative, Management and Supervisory Bodies of the Fashion District SGR

Directors of the Fashion District SGR

The directors of the Fashion District SGR and their respective business addresses and their principal occupations are:

Name	Business Address	Principal Function
Tamburini Gualtiero	Via Mercadante 18, 00198 Rome, Italy	Chairman of the Board of Directors
Caniggia Emanuele	Via Mercadante 18, 00198 Rome, Italy	Chief executive officer
Gulotta Rosa Maria	Via Mercadante 18, 00198 Rome, Italy	Board member
Costa Gianroberto	Via Mercadante 18, 00198 Rome, Italy	Board member

Name	Business Address	Principal Function
Ghisani Amalia	Via Mercadante 18, 00198 Rome, Italy	Board member
Gianni Francesco	Via Mercadante 18, 00198 Rome, Italy	Board member
Ceretti Paolo	Via Mercadante 18, 00198 Rome, Italy	Board member
Uglietti Maria Grazia	Via Mercadante 18, 00198 Rome, Italy	Board member

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, the names of the company that each director has acted as a director over the previous 5 years are the following:

(a) Gualtiero Tamburini: professor at the University Uninettuno;

(b) Emanuele Caniggia: chief executive officer of the Fashion District SGR;

(c) Paolo Ceretti: chief executive officer of DeA Capital S.p.A. and general manager of De Agostini S.p.A.;

(d) Gianroberto Costa: Vice Chairman of Fondazione Enasarco;

(e) Amalia Ghisani: retired;

(f) Francesco Gianni: Founding Partner of Gianni, Origoni, Grippo, Cappelli & Partners law firm;

(g) Rosa Maria Gulotta: Head of institutional and media relations of De Agostini S.p.A.;

(h) Maria Grazia Uglietti: Head of corporate and legal affairs of De Agostini S.p.A.

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, none of the directors of the Fashion District Borrower:

(a) has any convictions in relation of fraudulent offences for the previous 5 years; and

(b) was the subject of any public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a director or from acting in the management or conduct of the affairs of any entity for the previous 5 years.

As far as the Issuer is aware, none of the directors of the Fashion District Borrower was a director of any company which was declared bankrupt, went into receivership or was liquidated in the previous 5 years.

As far as the Issuer is aware and is able to ascertain from information provided by the Fashion District Borrower, there are no conflicts of interest between the private interests of the directors and their duties to the Fashion District Borrower.

Advisory Committee of the Fashion District SGR

In managing the Fashion District Borrower, the Fashion District SGR is assisted by an advisory committee established specifically in relation to the Fashion District Borrower and made up exclusively of representatives of the unitholders. The advisory committee will act solely as an advisory and control body, within the limits of the powers conferred upon it, while the board of directors of the Fashion District SGR will be responsible for the management of the Fashion District Borrower.

The advisory committee will be composed of a minimum of three up to a maximum of seven members.

The members of the advisory committee shall serve for three years and may be reappointed.

The members of the advisory committee shall be individuals with an expertise in the relevant subjects dealt with by the advisory committee, such as, but not limited to, real estate, technical, financial, fiscal, economic and legal aspects related to the activity of the Fund.

SGR's Fees at the Charge of the Fashion District Fund

The Fashion District SGR is entitled to an annual management fee - in any case not less than €200,000 per year - equal to 0.2 per cent. of the total value of the Fashion District Fund's assets (the "**Fashion District Management Fee**"), with the exception of receivables and liquid funds, as shown in the semi-annual report or in the Fashion District Borrower' s report on operations, determined net of unrealized gains or losses on real estate, real property rights and interests held, with respect to their acquisition value or the contribution of real estate, real estate rights and investments held by the Fashion District Borrower at the date of the report itself.

The Fashion District Management Fee is paid to the Fashion District SGR monthly in advance.

The Fashion District Loan Summary

Purpose of the Fashion District Loan

The Fashion District Loan financed the acquisition of the Fashion District Properties together with fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by the Fashion District Borrower in connection with the Loan Finance Documents.

Interest

Interest on the Fashion District Loan will accrue during each Loan Interest Period at a per annum rate equal to Loan EURIBOR plus 2.70 per cent.

If a Loan Obligor under the Fashion District Loan fails to pay any amount payable by it under a Loan Finance Document on its due date, default interest will accrue on the overdue amount from the due date up to actual date of payment at a rate equal to 1 per cent. per annum higher than the rate which interest on the Loan accrues, subject to the terms of the Loan Agreement.

Repayment and Prepayment of Principal

The Fashion District Borrower is required to make the following scheduled repayments of the Fashion District Loan:

(a) on each Loan Payment Date which falls in the period on or after 18 November 2016 but before 18 November 2018, instalments equal to 0.25 per cent. of the aggregate outstanding principal amount of the Fashion District Loan as at the date of utilisation; and

(b) on each Loan Payment Date which falls on or after 18 November 2018, instalments equal to 0.50 per cent. of the aggregate outstanding principal amount of the Fashion District Loan as at the date of utilisation.

The Fashion District Borrower shall repay the aggregate outstanding principal amount of the Fashion District Loan and all other amounts due under the Loan Finance Documents in full on 15 November 2019 (the "**Fashion District Loan Maturity Date**").

Voluntary Prepayment

The Fashion District Borrower may (on not less than five Loan Business Days' notice) prepay the whole or any part of the Fashion District Loan, in a minimum amount of €1,000,000 and in integral multiples of €250,000 (or, if less, the outstanding amount of the Fashion District Loan).

Voluntary Cancellation

The Fashion District Borrower may (on not less than five Loan Business Days' notice) cancel the whole or any part of the facility available under the Fashion District Loan in a minimum amount of €500,000 and integral multiples of €250,000 (or, in each case, if less, in the amount of the available facility.

Fashion District Permitted Property Disposal Prepayment Proceeds, Fashion District Expropriation Proceeds, Fashion District Insurance Proceeds and Fashion District Recovery Proceeds

The Fashion District Borrower must apply any Fashion District Permitted Property Disposal Prepayment Proceeds, Fashion District Expropriation Proceeds, Fashion District Insurance Proceeds or Fashion District

Recovery Proceeds in prepayment of the Fashion District Loan on the Loan Payment Date following receipt of such amounts (or earlier if the Fashion District Borrower elects to do so).

Fashion District Excluded Insurance Proceeds and Fashion District Excluded Recovery Proceeds which are not applied within the timeframes described in the definitions of such terms shall be applied in prepayment of the Fashion District Loan on the next Loan Payment Date after being placed in the Fashion District Prepayment Account (or earlier if the Fashion District Borrower elects to do so with five Loan Business Days' notice prior to the date on which the prepayment is to occur).

Repayment Restrictions

All repayments and prepayments under the Fashion District Loan Agreement shall be made together with (without double counting) accrued but unpaid interest (including Loan Margin) on the amount repaid or prepaid, any applicable Break Costs, the applicable Fashion District Prepayment Fee (if any), and all other amounts due under the Loan Finance Documents.

Order of Application

On each occasion that the Fashion District Loan is prepaid in part out of Fashion District Permitted Property Disposal Prepayment Proceeds, such prepayment will be applied, firstly, in an amount equal to 100 per cent. of the Fashion District Allocated Loan Amount for the Fashion District Property which is the subject of the relevant Fashion District Permitted Property Disposal and, secondly, in an amount equal to the balance of such Fashion District Permitted Property Disposal Prepayment Proceeds (following the prepayment above) against the Fashion District Loan as directed by the Borrower.

On each occasion that the Fashion District Loan is prepaid in part as a result of a prepayment other than a Fashion District Permitted Property Disposal the Fashion District Allocated Loan Amount for each Fashion District Property shall be reduced by a pro-rated proportion of the principal amount repaid or prepaid.

On each occasion that the Fashion District Loan is prepaid in part as a result of a Fashion District Permitted Property Disposal the Fashion District Allocated Loan Amount for each Fashion District Property shall be reduced by a pro-rated proportion of the amount by which the amount applied in prepayment pursuant to such Fashion District Permitted Property Disposal exceeds the Fashion District Allocated Loan Amount of the Fashion District Property subject to that Fashion District Permitted Property Disposal.

Fees

Prepayment Fees

The Fashion District Borrower is required to pay to the Lender a prepayment fee in respect of any prepayment made prior to 15 November 2015 of the whole or part of the Fashion District Loan ("**Fashion District Prepayment Fee**") as a result of (a) a voluntary prepayment of the Fashion District Loan (other than a Fashion District Excluded Prepayment); or (b) a prepayment made as described under "*—Repayment and Prepayment of Principal—Fashion District Permitted Property Disposal Prepayment Proceeds, Fashion District Expropriation Proceeds, Fashion District Insurance Proceeds and Fashion District Recovery Proceeds*" arising from a Fashion District Permitted Property Disposal. The Fashion District Prepayment Fee will be an amount equal to 1.5 per cent. of the principal amount prepaid.

In the preceding paragraph "**Fashion District Excluded Prepayment**" means a prepayment (a) of a Fashion District LTV Equity Cure Amount or a Fashion District DSCR Equity Cure Amount; (b) of a Fashion District Cash Trap Amount; (c) made pursuant to the provisions of Fashion District Loan Agreement which permit the Fashion District Borrower to, in certain circumstances, replace the Lender; (d) made in connection with any Fashion District Expropriation; or (e) made in connection with a prepayment arising as a result of any part of any Fashion District Property being destroyed or damaged where such destruction or damage would have a Loan Material Adverse Effect.

Hedging Arrangements

Fashion District Hedging Agreements

The Fashion District Borrower is required to enter into hedging agreements (the "**Fashion District Hedging Agreements**") which: (a) have an aggregate notional amount which is not less than 95 per cent. of the

outstanding principal amount of the Fashion District Loan; (b) which expire on the Fashion District Loan Maturity Date; (c) which have an interest rate cap with a maximum strike rate of (i) in respect of the period until (and including) the Loan Payment Date falling immediately prior to the third anniversary of the date of utilisation of the Fashion District Loan, 2.00 per cent. per annum and (ii) in respect of the period from (but excluding) the Loan Payment Date falling immediately prior to the third anniversary of the Fashion District Loan Utilisation Date, 4.00 per cent.); (d) are with a counterparty which has the Requisite Rating; (e) based substantially on the form of the 1992 ISDA Master Agreement (Multicurrency – Cross-Border) or the 2002 ISDA Master Agreement (Multicurrency – Cross-Border) (each, an "**ISDA Master Agreement**") or a long-form confirmation, based on an ISDA Master Agreement; (f) which permit the Fashion District Borrower to comply with the termination provisions described below; (g) which do not contain any restrictions on granting any security over the Fashion District Borrower's rights; (h) which provide for "Loan EURIBOR" and "Business Days" to be determined on the same basis as under the Fashion District Loan Agreement; and (i) which provide for payments to the Fashion District Borrower under such hedging agreements to occur on the same dates as the Loan Payment Dates.

In order to comply with its obligations under the Loan Agreement, the Fashion District Borrower entered into the Fashion District Interest Rate Cap Transaction. See "*Description of the Hedging Arrangements*" in this Offering Circular.

Termination of the Fashion District Hedging Agreements by the Fashion District Borrower

The Fashion District Borrower may not terminate or close out any hedging arrangements entered into pursuant to the Fashion District Hedging Agreements except: (a) to comply with requirements set forth in the following paragraph regarding the Requisite Rating; (b) if it becomes illegal for the Fashion District Borrower to continue to comply with its obligations under such hedging arrangements; (c) if, on termination or closing out the Fashion District Borrower will have in place alternative hedging arrangements which are in compliance with the criteria described under (Fashion District Hedging Agreements); (d) if all amounts under the relevant Loan Finance Documents have been paid in full; or (e) if the Fashion District Facility Agent has consented to such termination or closing out.

If the counterparty to the Fashion District Hedging Agreements ceases to have the Requisite Rating the Fashion District Borrower shall procure that either: (a) each hedging agreement entered into with such counterparty is terminated or closed-out and new hedging arrangements are entered into which comply with the criteria described under "*—Fashion District Hedging Agreements*" above; or (b) the counterparty must grant security for its obligations over an account containing an amount equal to the mark to market value of such obligations, in each case as soon as reasonably practicable but in any event within 30 days of notification by the Fashion District Facility Agent of the occurrence of the rating downgrade of the counterparty.

If any Fashion District Hedging Agreement is terminated (except where no amounts are owed under the Loan Finance Documents or the Fashion District Facility Agent has consented to such termination, the Fashion District Borrower must, as soon as practicable and in any event within 30 days of the termination of the relevant Fashion District Hedging Agreement, enter into new hedging agreement which comply with the criteria described under "*—Fashion District Hedging Agreements*").

Fashion District Hedging Agreement Amendments

The Fashion District Hedging Agreements may not be amended, supplemented or waived without the prior written consent of the Fashion District Facility Agent, unless following such amendment supplement or waiver the Fashion District Hedging Agreements will remain in compliance with the criteria described under (Fashion District Hedging Agreements).

Fashion District Loan Accounts

Accounts of the Fashion District Obligors

The Fashion District Obligors are required by the Fashion District Loan Agreement to maintain the following accounts (each, a "**Fashion District Control Account**"):

(a) the Fashion District Company is required to maintain a general account (the "**Fashion District Company General Account**");

(b) the Fashion District Holdco is required to maintain a general account (the "**Fashion District Holdco General Account**") and a deposit account (the "**Fashion District Equity Cure Account**");

(c) the Fashion District Borrower is required to maintain a general account (the "**Fashion District Borrower General Account**") and four deposit accounts (the "**Fashion District Cash Trap Account**", the "**Fashion District Prepayment Account**", the "**Fashion District Borrower Rental Income Account**" and the "**Fashion District Borrower Service Charge Account**");

(d) the Fashion District Mantova Target is required to maintain a general account (the "**Fashion District Mantova Target General Account**") and a deposit account (the "**Fashion District Mantova Target Service Charge Account**"); and

(e) the Fashion District Molfetta Target is required to maintain a general account (the "**Fashion District Molfetta Target General Account**") and a deposit account (the "**Fashion District Molfetta Target Service Charge Account**" and together with the Fashion District Mantova Target Service Charge Account, the "**Fashion District Service Charge Accounts**").

The Fashion District Company General Account, Fashion District Holdco General Account, Fashion District Borrower General Account, Fashion District Mantova Target General Account and Fashion District Molfetta Target General Account are each, a "**Fashion District General Account**".

The Fashion District Borrower Service Charge Account, Fashion District Mantova Target Service Charge Account and Fashion District Molfetta Target Service Charge Account are each, a "**Fashion District Service Charge Account**".

The Fashion District Obligors shall not have any other accounts except for: (a) certain other accounts which were in existence before the signing of the Fashion District Loan Agreement and must be closed by the date falling 90 days after the Fashion District Acquisition Closing Date is completed; (b) (in respect of the Fashion District Borrower the Fashion District Rent Deposit Account and Fashion District Escrow Account; and (c) in respect of the Fashion District Holdco, the Fashion District Securities Account.

Fashion District Account Bank

The Fashion District Borrower has opened each of its Fashion District Blocked Accounts with the Fashion District Depositary Bank (acting though a branch in Italy).

Each Fashion District Target has opened each of its Fashion District Blocked Accounts with ING Bank NV, Milan Branch.

The Fashion District Securities Account is held with ING Luxembourg S.A. at BNP Paribas Securities Services.

The Fashion District Company and Fashion District Holdco have opened their Fashion District Blocked Accounts with ING Luxembourg S.A., Luxembourg.

The Fashion District Obligors may transfer any Fashion District Control Account to the branch of another bank which is in the same jurisdiction as the existing Fashion District Control Account that it replaces. The relevant Fashion District Obligor shall give the Fashion District Facility Agent prior notice of any such transfer. They may only make such a transfer if the replacement bank holds the Requisite Rating.

Where a bank holding a Fashion District Blocked Account ceases to hold the Requisite Rating the Fashion District Facility Agent may require that such accounts are moved to a new bank.

A Fashion District Blocked Account and any amounts or shares standing to the credit of a Fashion District Blocked Account may only be transferred to a new bank if the relevant Fashion District Obligor has created and perfected first ranking security over the new account.

Payments into Fashion District Control Accounts

Under the Fashion District Loan Agreement each Fashion District Target will ensure that all Rental Income received under any lease (save for (i) dilapidations and (ii) any contributions from a tenant to lease registration

Taxes, each of which may be paid directly to its Fashion District Service Charge Account) shall be paid into its Fashion District General Account.

The Fashion District Borrower will ensure that all Net Rental Income received under the Fashion District Master Lease (save for (i) dilapidations under any lease and (ii) any contributions from a tenant to lease registration Taxes, each of which may be paid directly to the Fashion District Borrower General Account) shall be paid into the Fashion District Borrower Rental Income Account.

Each Fashion District Target will ensure that all Fashion District Service Charge Proceeds, and sums representing any VAT chargeable in respect of Rental Income, shall be paid directly into its Fashion District Service Charge Account or its Fashion District General Account.

The Fashion District Borrower will ensure that all amounts payable to it under any Fashion District Hedging Agreement and any Fashion District Disposal Proceeds (other than any Fashion District Permitted Property Disposal Prepayment Proceeds, any Fashion District Excluded Disposal Proceeds and any Fashion District Expropriation Proceeds), are promptly paid directly into the Fashion District Borrower Rental Income Account.

The Fashion District Borrower will ensure that all proceeds of any insurance policy in respect of operating losses or loss of rent and any amount standing to the credit of any Fashion District Rent Deposit Account which it is entitled to withdraw for its own account by way of compensation to the Fashion District Borrower or a Fashion District Target for the failure by the relevant tenant to pay any amount which would constitute Net Rental Income (other than any such amount which would constitute Fashion District Service Charge Proceeds and any sums representing VAT chargeable in respect of such Rental Income to the extent such amounts are paid directly to its Fashion District Service Charge Account), are promptly paid directly into the relevant Fashion District Target's General Account or the Fashion District Borrower Rental Income Account.

Each Fashion District Obligor will ensure that any proceeds of insurance claims received by it (other than in respect of operating losses, loss of rent or such proceeds that are paid to the Fashion District Facility Agent of Fashion District Security Agent), any Fashion District Permitted Property Disposal Prepayment Proceeds received by it, any Fashion District Recovery Proceeds received by it; and any Fashion District Expropriation Proceeds received by it are promptly paid directly into the Fashion District Prepayment Account.

Each Fashion District Obligor will ensure that any Fashion District Excluded Disposal Proceeds received by it, any Fashion District Excluded Insurance Proceeds (other than any proceeds of any insurance policy in respect of operating losses or loss of rent) received by it, any Fashion District Excluded Recovery Proceeds received by it, and any Fashion District Excluded Expropriation Proceeds received by it, are promptly paid directly into its Fashion District General Account.

Fashion District Target General Accounts

Each Fashion District Target shall have signing rights to its Fashion District General Account (each, a "**Fashion District Target General Account**"). On the 20th calendar day in each month (each, a "**Fashion District Service Charge Payment Date**"), each Fashion District Target shall withdraw from its Fashion District General Account such amount as is necessary for application in or towards:

(a) *firstly*, payment into its Fashion District Service Charge Account of an amount equal to:

(i) VAT payable in respect of Rental Income;

(ii) Fashion District Service Charge Expenses;

(iii) Fashion District Irrecoverable Service Charge Expenses;

(iv) property taxes;

(v) registration taxes; and

(vi) rent collection fees,

in each case, then due or projected to become due in the period starting on that Fashion District Service Charge Payment Date and ending on the next consecutive Fashion District Service Charge Payment

Date (less any amount standing to the credit of its Fashion District Service Charge Account on that Fashion District Service Charge Payment Date which was transferred to its Fashion District Service Charge Account from a Fashion District Target General Account or the Fashion District Borrower Rental Income Account for the purpose of paying VAT payable in respect of Rental Income, Fashion District Service Charge Expenses, Fashion District Irrecoverable Service Charge Expenses, property taxes, registration taxes or rent collection fees); and

(b) *secondly*, payment into the Fashion District Borrower Rental Income Account of an amount equal to the balance of each Fashion District Target General Account after the satisfaction of the items set out in paragraph (a) above in accordance with the relevant master lease agreement.

For the avoidance of doubt, each Fashion District Target shall be permitted to make withdrawals at any time to pay VAT payable in respect of Rental Income, Fashion District Service Charge Expenses, Fashion District Irrevocable Service Charge Expenses, taxes related to the Fashion District Properties and rent collection fees.

Fashion District Borrower Rental Income Account

The Fashion District Facility Agent has sole authority to operate the Fashion District Borrower Rental Income Account.

On each Loan Payment Date, the Fashion District Facility Agent shall withdraw from the Fashion District Borrower Rental Income Account:

(a) *firstly*, to the extent not already paid into a Fashion District Service Charge Account, payment into the Fashion District Borrower Service Charge Account of an amount equal to:

(i) Fashion District Irrecoverable Service Charge Expenses;

(ii) property taxes;

(iii) registration taxes; and

(iv) rent collection fees,

in each case, then due or projected to become due in the Loan Interest Period starting on that Loan Payment Date and ending on the next consecutive Loan Payment Date (less any amount standing to the credit of a Fashion District Service Charge Account on that Loan Payment Date which was transferred to a Fashion District Service Charge Account from a Fashion District Target General Account for the purpose of paying Fashion District Irrecoverable Service Charge Expenses, property taxes, registration taxes or rent collection fees);

(b) *secondly*, payment *pro rata* of any unpaid costs, fees and expenses due to the Fashion District Security Agent, the Fashion District Facility Agent and the mandated lead arranger under the Loan Finance Documents;

(c) *thirdly*, payment *pro rata* of any unpaid costs, fees and expenses due to the Loan Finance Parties under the Loan Finance Documents;

(d) *fourthly*, in or towards payment of all accrued interest due and payable to the Lender under the Loan Finance Documents;

(e) *fifthly*, in or towards payment to the Lender of any principal due but unpaid under the Fashion District Loan Agreement;

(f) *sixthly*, only if a Fashion District Cash Trap Event has occurred on that Loan Payment Date, an amount up to the lower of:

(i) the balance of the Fashion District Borrower Rental Income Account after the satisfaction of the items set out in paragraphs (a) to (e) above; and

(ii) the amount of:

(A) management fees (other than management fees which are recoverable from Fashion District Service Charge Proceeds) and Fashion District Corporate Expenses provided that the aggregate amount of such management fees and Fashion District Corporate Expenses in aggregate that may be paid from the Fashion District Borrower's Rental Income Account into the Fashion District Borrower General Account under this subparagraph I shall not exceed €1,000,000 in aggregate in any financial year; and

(B) Taxes (except property taxes and registration taxes), leasing commissions, letting agent costs, tenant improvements and capital expenditure in respect of Fashion District Permitted Capex Projects (other than any Fashion District Capex Project falling under paragraphs (a), (e), (f) or (g) of the definition of Fashion District Permitted Capex Project),

in each case, then due or projected to be due in the Loan Interest Period starting on that Loan Payment Date and ending on the next consecutive Loan Payment Date shall be paid into the Fashion District Borrower General Account;

(g) *seventhly*, if a Fashion District Cash Trap Event has occurred on that Loan Payment Date, any surplus shall be paid into the Fashion District Cash Trap Account (each, a "**Fashion District Cash Trap Amount**"); and

(h) *eighthly*, any surplus shall be paid into the Fashion District General Account.

Fashion District Prepayment Account

The Fashion District Facility Agent shall have sole authority to operate the Fashion District Prepayment Account.

If no Loan Event of Default is continuing, on each Loan Payment Date (or such other date as is requested by the Borrower as described under (Fashion District Permitted Property Disposal Prepayment Proceeds, Fashion District Expropriation Proceeds, Fashion District Insurance Proceeds and Fashion District Recovery Proceeds)), the Fashion District Facility Agent shall withdraw from the Fashion District Prepayment Account all amounts standing to the credit of the Fashion District Prepayment Account (or, where the Fashion District Borrower has opted to make an early prepayment as described under (Fashion District Permitted Property Disposal Prepayment Proceeds, Fashion District Expropriation Proceeds, Fashion District Insurance Proceeds and Fashion District Recovery Proceeds) the relevant amount) for application in the following order:

(a) *firstly*, in payment of any unpaid costs, fees and expenses due to the Fashion District Security Agent, the Fashion District Facility Agent and the mandated lead arranger under the Loan Finance Documents;

(b) *secondly*, in payment of any unpaid costs, fees and expenses due to the Loan Finance Parties under the Loan Finance Documents;

(c) *thirdly*, in prepayment of the Fashion District Loan;

(d) *fourthly*, in payment of any other liabilities under the Loan Finance Documents; and

(e) *fifthly*, in payment of any surplus to the Fashion District Borrower General Account.

Fashion District Equity Cure Account

The Fashion District Facility Agent shall have sole authority to operate the Fashion District Equity Cure Account.

If no Loan Event of Default is continuing and on a Loan Payment Date the Fashion District Obligors are not in breach of:

(a) the Fashion District LTV Ratio covenant (provided that for such purposes (A) it shall be assumed that such Loan Payment Date is a Fashion District LTV Test Date, (B) the balance of the Equity Cure Account shall be deemed to be zero and (C) to the extent on such Loan Payment Date any Fashion District Cash Trap Amount will be transferred to a Fashion District General Account, such Fashion District Cash Trap Amount shall be deducted from the balance standing to the credit of the Fashion District Cash Trap Account); and

(b) the Fashion District DSCR covenant,

the Fashion District Facility Agent shall withdraw all amounts standing to the credit of the Fashion District Equity Cure Account and transfer such amounts to the Fashion District Company General Account.

If on a Loan Payment Date, the Fashion District Obligors are not in compliance with the requirements of:

(a) the Fashion District LTV Ratio covenant (provided that for such purposes (A) it shall be assumed that such Loan Payment Date is a Fashion District LTV Test Date, (B) the balance of the Fashion District Equity Cure Account shall be deemed to be zero and (C) to the extent on such Loan Payment Date any Fashion District Cash Trap Amount will be transferred to a Fashion District General Account, such Fashion District Cash Trap Amount shall be deducted from the balance standing to the credit of the Fashion District Cash Trap Account); and

(b) the Fashion District DSCR covenant,

the Fashion District Facility Agent shall withdraw all amounts standing to the credit of the Fashion District Equity Cure Account and apply such amounts in prepayment of the Fashion District Loan together with the payment of all amounts payable in connection with such prepayment.

The Fashion District Company may elect that all or part of any amounts standing to the credit of the Fashion District Equity Cure Account are applied in prepayment of the Fashion District Loan, together with the payment of all amounts payable in connection with such prepayment.

Fashion District Cash Trap Account

The Fashion District Facility Agent shall have sole authority to operate the Fashion District Cash Trap Account.

If no Loan Event of Default is continuing or would result from such withdrawal, if on any two consecutive Loan Payment Dates after payment of a Fashion District Cash Trap Amount (the "**Fashion District Release Cash Trap Amount**") into the Fashion District Cash Trap Account no Fashion District Cash Trap Event occurs, the Fashion District Facility Agent shall withdraw an amount equal to the Fashion District Release Cash Trap Amount from the amount standing to the credit of the Fashion District Cash Trap Account and transfer that amount to the Fashion District Borrower General Account.

If on any two consecutive Loan Payment Dates after payment of a Fashion District Cash Trap Amount (the "**Fashion District Sweep Cash Trap Amount**") into the Fashion District Cash Trap Account a Fashion District Cash Trap Event occurs, the Fashion District Facility Agent shall withdraw an amount equal to the Fashion District Sweep Cash Trap Amount from the Fashion District Cash Trap Account and apply such amount in prepayment of the Fashion District Loan, together with the payment of all amounts payable in connection with such prepayment.

The Fashion District Company may at any time elect that all or any part of any amounts standing to the credit of the Fashion District Cash Trap Account are applied in prepayment of the Fashion District Loan, together with the payment of all amounts payable in connection with such prepayment.

Fashion District General Accounts

Each Fashion District Obligor shall have signing rights to its Fashion District General Account.

Subject to the restrictions described in "*—Withdrawals*" below, a Fashion District Obligor may make withdrawals from its Fashion District General Account at any time to be applied in compliance with the fund regulation and the Loan Finance Documents.

Service Charge Accounts

The Fashion District Borrower and each relevant Fashion District Target shall have signing rights to its Fashion District Service Charge Account.

Subject to the restrictions described in "*—Withdrawals*" below, the Fashion District Borrower or a Fashion District Target (as applicable) may:

(a) make such withdrawals as are required from time to time from its Fashion District Service Charge Account to be applied in or towards the payment or discharge of:

(i) Fashion District Service Charge Expenses;

(ii) Fashion District Irrecoverable Service Charge Expenses;

(iii) VAT payable in respect of Rental Income;

(iv) property taxes;

(v) registration taxes; and/or

(vi) rent collection fees; and/or

(vii) management fees, corporate expenses, taxes, leasing commissions, letting agency costs, tenant improvements and capital expenditures, in each case, to the extent such amount was paid to the relevant Fashion District Service Charge Account by the Fashion District Borrower, the Fashion District Holdco or the Fashion District Company for such purpose; and

(b) within 60 days of the last day of each financial year, withdraw and transfer to its Fashion District General Account an amount equal to or less than the amount standing to the credit of its Fashion District Service Charge Account on the last day of that financial year provided that no the amount standing to the credit of its Fashion District Service Charge Account which is required to be paid in respect of Fashion District Service Charge Expenses, Fashion District Irrecoverable Service Charge Expenses, VAT, property taxes, registration taxes or rent collection fees which are payable, but not yet paid, in respect of that financial year may be withdrawn and transferred to its Fashion District General Account.

Withdrawals

No withdrawal may be made by any Fashion District Obligor from a Fashion District Control Account if a Fashion District Loan Event of Default is continuing or would occur as a result of that withdrawal except with the prior written consent of the Fashion District Facility Agent.

At any time when a Fashion District Loan Event of Default is continuing, the Fashion District Facility Agent may operate any Fashion District General Account or Fashion District Service Charge Account, suspend the Fashion District Obligors' rights to operate such accounts, and withdraw from, and apply amounts standing to the credit of, any Fashion District Control Account in or towards any purpose for which moneys in that Fashion District Control Account may be applied.

Financial Covenants

Fashion District LTV Ratio

On each Fashion District LTV Test Date, each Fashion District Obligor shall ensure that the Fashion District LTV Ratio is not greater than 80 per cent.

Fashion District DSCR

On each Loan Payment Date, each Fashion District Obligor shall ensure that the Fashion District DSCR is not less than 1:20:1.

In this section:

"**Fashion District DSCR**" means, on any Loan Payment Date, the ratio of Net Rental Income to Fashion District Finance Costs (giving no value, for the purposes of such determination, to Net Rental Income from any affiliate of a Fashion District Obligor or any affiliate of a Fashion District Investor unless, in each case, such affiliate is in actual occupation of the relevant Fashion District Property), in each case in respect of the Fashion District Relevant Period ending on the Fashion District Test Date falling immediately prior to that Loan Payment Date.

"**Fashion District Finance Costs**" means, for any Fashion District Relevant Period, the sum of all interest payments and repayments paid by the Fashion District Borrower to the Loan Finance Parties under the Loan Finance Documents during that Fashion District Relevant Period.

"**Fashion District Investor**" means any fund and/or other entity managed, advised, owned and/or controlled by The Blackstone Group L.P. and/or any of its affiliates.

"**Fashion District LTV Ratio**" means, on any date, the proportion expressed as a percentage which Fashion District Net Debt bears to the aggregate market value of the Fashion District Properties on that date calculated by reference to the then most recent Fashion District Valuation.

"**Fashion District LTV Test Date**" means the first Loan Payment Date falling after a Fashion District Valuation Date provided that the first Fashion District LTV Test Date shall be no earlier than the first Loan Payment Date falling after the date which is 24 months after the Fashion District First Utilisation Date.

"**Fashion District Net Debt**" means, on any date, the aggregate principal amount outstanding of the Fashion District Loan minus the aggregate amount standing to the credit of the Fashion District Prepayment Account, the Fashion District Cash Trap Account and the Fashion District Equity Cure Account.

"**Fashion District Test Date**" means the last day of each financial quarter.

"**Fashion District Valuation Date**" means each date on which a Fashion District Valuation is delivered to the Facility Agent

"**Fashion District Relevant Period**" means each period of 12 Months commencing on a Fashion District Test Date and ending on the anniversary of that Fashion District Test Date.

Testing and Calculation of Financial Covenants

The financial covenants described above will be tested by reference to the information contained in the most recent compliance certificate and, in respect of the Fashion District LTV Ratio only, by reference to the most recent Fashion District Valuation delivered prior to the date of that compliance certificate.

Cure Payments

If the requirement of the Fashion District LTV Ratio covenant is not satisfied on a Fashion District LTV Test Date, the Fashion District Company or the Fashion District Borrower may within 20 Loan Business Days of that Fashion District LTV Test Date, prepay the Fashion District Loan or deposit an amount into the Fashion District Equity Cure Account (a "**Fashion District LTV Equity Cure Amount**") sufficient (but not more than the amount required) to ensure that when taking into account such prepayment or deposit in the calculation of the Fashion District LTV Ratio the requirements of the Fashion District LTV Ratio covenant would be met.

If the requirement of the Fashion District DSCR covenant is not satisfied on a Loan Payment Date, the Fashion District Company or the Fashion District Borrower may within 20 Loan Business Days of that Loan Payment Date prepay the Fashion District Loan or deposit an amount into the Fashion District Equity Cure Account (a "**Fashion District DSCR Equity Cure Amount**") sufficient (but not more than the amount required) to ensure that if such amount had been prepaid on the first day of the Fashion District Relevant Period ending on the Fashion District Test Date falling immediately prior to that Loan Payment Date the requirements of the Fashion District DSCR covenant would be met.

Upon prepayment of the Fashion District Loan or the deposit of a Fashion District LTV Equity Cure Amount or Fashion District DSCR Equity Cure Amount into the Fashion District Equity Cure Account the Fashion District LTV Ratio or Fashion District DSCR covenant (as applicable) shall be deemed to have been satisfied.

The cure rights with respect to the Fashion District LTV Ratio covenant may not be exercised in respect of more than two consecutive Loan Payment Dates. The cure rights in respect of the Fashion District DSCR covenant may not be exercised in respect of more than two consecutive Loan Payment Dates. The cure rights in respect of the Fashion District LTV Ratio covenant and the Fashion District DSCR covenant may only be exercised a maximum of four times in aggregate during the life of the Fashion District Loan.

Valuations

The Fashion District Facility Agent may instruct a Fashion District Valuer to prepare a Fashion District Valuation once in any 12-month period falling during the period commencing on the date which is 24 months after the Fashion District Loan Utilisation Date (at the cost of the Fashion District Obligors) in respect of all the Fashion District Obligors' interests in the Fashion District Properties at any time. However, if a Loan Default is continuing, the Fashion District Facility Agent may at any time instruct a Fashion District Valuer to prepare and deliver to the Fashion District Facility Agent a Fashion District Valuation. The Fashion District Facility Agent will also be entitled to request a revised Fashion District Valuation of each Fashion District Property upon receipt of a notice from any Fashion District Borrower of the compulsory purchase of the whole or any material part of the Fashion District Properties. Any valuation carried out by a Fashion District Valuer on the instructions of the Fashion District Facility Agent in any other circumstances will be at the cost of the Lender and will not constitute a Fashion District Valuation for any purpose under the Loan Finance Documents (but may be instructed and issued at any time).

"**Fashion District Valuer**" means Cushman and Wakefield and any other firm of chartered surveyors as may be agreed from time to time between the Fashion District Company, the Fashion District Borrower and the Fashion District Facility Agent.

Property Disposals

The Fashion District Obligors are not permitted to dispose of any of their assets other than:

(a) if no Loan Event of Default is continuing at the time at which the disposal is contracted, a disposal of obsolete non-real estate assets which are no longer required for the operation of the disposing Fashion District Obligor's business;

(b) an asset that is compulsorily purchased or is otherwise nationalised or otherwise expropriated, if the proceeds of such expropriation are paid upon receipt by the Fashion District Borrower into the Fashion District Prepayment Account;

(c) a disposal of any asset (other than any Fashion District Control Account, the Fashion District Securities Account, any Fashion District Property or any shares which have been issued prior to the disposal) made by one Fashion District Obligor to another Fashion District Obligor;

(d) expenditure of cash for purposes in compliance with the Loan Finance Documents;

(e) any disposal pursuant to or by way of an agreement for lease and/or an occupational lease existing on the date of the Fashion District Loan Agreement or permitted pursuant as described under "*—Common Terms Relating to the Loans —Occupational Leases—Fashion District*";

(f) a disposal made with the prior written consent of the Lender;

(g) a disposal arising as a result of a permitted security;

(h) a Fashion District Permitted Property Disposal;

(i) any disposal provided that the aggregate outstanding principal amount of the Fashion District Loan is repaid and all other amounts owed under the Fashion District Loan are irrevocably discharged in full on or prior to completion of such disposal; and

(j) if no Fashion District Loan Event of Default is continuing at the time at which the disposal is contracted, any other disposals where the aggregate value of the assets so disposed of by members of the Fashion District Group (other than as permitted above) in any financial year does not exceed €50,000 (or its currency equivalent).

In this section:

"**Fashion District Allocated Loan Amount**" means, in relation to a Fashion District Property, the amount specified in the column entitled Allocated Loan Amount set opposite its name below:

Property Description	Fashion District Allocated Loan Amount
Fashion District Mantova Outlet	€52,837,200
Fashion District Molfetta Outlet	€32,126,800

The Fashion District Allocated Loan Amounts shall be adjusted in relation to prepayments of the Fashion District Loan as discussed under "*—Repayment and Prepayment of Principal—Order of Application*" above.

"**Fashion District Permitted Property Disposal**" means a disposal of a Fashion District Property and, to the extent elected by the Fashion District Company, the shares in the related Fashion District Target in respect of that Fashion District Property provided that:

(a) in respect of a disposal of the Fashion District Land Parcel:

(i) on or prior to the date such disposal is completed, the Fashion District Land Parcel is separated from the Fashion District Mantova Outlet in accordance with the applicable laws and regulations (the "**Separation**"); and

(ii) the Separation does not adversely affect in any material aspect the Fashion District Mantova Outlet (excluding the Fashion District Land Parcel) or any authorisation applicable to the Fashion District Mantova Outlet;

(b) on completion of that disposal an amount not less than the Fashion District Permitted Property Disposal Prepayment Proceeds for such disposed Fashion District Property is paid into the Fashion District Prepayment Account (such payment being funded from the disposal proceeds in respect of that disposal and/or proceeds of equity contributions and/or subordinated loans);

(c) on the date such disposal is contracted, no Loan Default is continuing (or, if a Loan Default is continuing, it would be remedied as a result of the completion of that disposal) or would result from completion of that disposal; and

(d) such disposal is made on arms' length terms.

"**Fashion District Permitted Property Disposal Prepayment Proceeds**" means, in respect of a Fashion District Permitted Property Disposal, an amount equal to:

(a) the Fashion District Release Price for the relevant Fashion District Property; or

(b) if a Fashion District Cash Trap Event has occurred on the Loan Payment Date immediately prior to contracting that Fashion District Permitted Property Disposal (other than in the case of a disposal of the Fashion District Land Parcel) , the lower of:

(i) the disposal proceeds received by the Fashion District Borrower for that Fashion District Permitted Property Disposal; and

(ii) the aggregate of:

(A) the Fashion District Release Price for the relevant Property; and

(B) the amount which, had the Fashion District Loan been prepaid by such amount on the last day of the financial quarter falling immediately prior to the Loan Payment Date immediately prior to contracting that Fashion District Permitted Property Disposal, would have ensured that no Fashion District Cash Trap Event occurred,

and, in each case, any amounts that will become due and payable pursuant to the provisions of the Fashion District Loan Agreement in connection with the prepayment.

"**Fashion District Release Price**" means: (a) in respect of each Fashion District Property (other than the Fashion District Land Parcel), 115 per cent. of the Fashion District Allocated Loan Amount of that Property; and (b) in respect of the Fashion District Land Parcel, zero.

"**Fashion District Land Parcel**" means an area which forms part of the Fashion District Mantova Outlet on which is authorised to build additional retail premises for an aggregate selling surface of up to 3,795.37 square metres.

Property Management

No Fashion District Obligor may terminate the appointment of a Fashion District Managing Agent without the prior written consent of the Fashion District Facility Agent unless: (a) the Fashion District Facility Agent is first notified in writing (with at least five Loan Business Days' notice) of the Fashion District Obligor's intention to terminate the relevant appointment; (b) a new Fashion District Managing Agent is promptly appointed under a new management agreement; and (c) such termination does not lead to any of the Fashion District Obligors becoming the employer of any employees.

If a Fashion District Managing Agent breaches a management agreement or the duty of care agreement in favour of the Fashion District Facility Agent or Fashion District Security Agent in any material respect and any such breach is not remedied within 28 days following notice to that Fashion District Managing Agent then the Fashion District Facility Agent may require the Fashion District Obligor concerned to appoint a new Fashion District Managing Agent in relation to the relevant Property under a new management agreement.

Each Fashion District Managing Agent must maintain professional indemnity cover in an amount at least equal to €5,000,000.

At the same time as the entry into of each management agreement, each Fashion District Obligor is required to ensure that the relevant Fashion District Managing Agent enters into a duty of care agreement in favour of the Fashion District Facility Agent or Fashion District Security Agent (the "**Fashion District Duty of Care Agreement**".

No Fashion District Obligor may appoint any person as a property manager or managing agent of a Fashion District Property unless such person is a Fashion District Managing Agent and such appointment is made under a management agreement.

The Fashion District Managing Agent fees are to be paid by the Fashion District Borrower.

Permitted Guarantees

The Fashion District Obligors are not permitted to grant any guarantee other than: (a) any guarantee arising under a Loan Finance Document; (b) any guarantee given in the ordinary course of business not exceeding €100,000 in aggregate at any time; (c) any guarantee of Fashion District Permitted Financial Indebtedness; and (d) any guarantee given in respect of the netting or set off arrangements permitted pursuant to paragraph (e) under "*—Permitted Security*" below. While a Loan Event of Default is continuing, no additional guarantee which would otherwise be permitted under (c) above, may be granted without the prior written consent of the Fashion District Facility Agent.

Fashion District Permitted Financial Indebtedness

The Fashion District Obligors are not permitted to incur any financial indebtedness other than the following permitted financial indebtedness (the "**Fashion District Permitted Financial Indebtedness**"):

(a) arising under any Loan Finance Document;

(b) incurred in accordance with the Fashion District Hedging Agreements;

(c) that is Fashion District Investor Debt; or

(d) arising under any account of the Fashion District Obligor permitted under the Fashion District Loan Agreement or is owed to a member of the Fashion District Group and is subordinated to the rights of the Loan Finance Parties; or

(e) funded to the Fashion District Group by way of funding for the payment of the deposit payable under the acquisition agreement provided that all such amounts are discharged on or before the Fashion District Acquisition Closing Date.

In this section:

"**Fashion District Investor Debt**" means any financial indebtedness owed by the Fashion District Company to any of its holding companies provided that (unless the Fashion District Facility Agent agrees otherwise in writing) such financial indebtedness is subordinated to the liabilities owed by the Fashion District Obligor under the relevant Loan Finance Documents.

Permitted Security

The Fashion District Obligors are not permitted to grant any security other than:

(a) any property right (including, without limitation, any easement, right of way, right of access and restrictive covenant) which is granted in connection with a Fashion District Permitted Letting Activity or to which any Fashion District Property is subject (as disclosed in the reports relating to that Property) as at the Fashion District Acquisition Closing Date;

(b) any security arising under the Loan Finance Documents;

(c) any security arising by operation of law and in the ordinary course of business and not as a result or any default or omission by any member of the Fashion District Group provided that it is discharged within 60 days of coming into existence;

(d) any security arising by operation of law and in respect of Taxes being contested in good faith or required to be created in favour of any Tax or other government authority in order to appeal or otherwise challenge Tax assessments and/or claims in good faith;

(e) any netting or set off arrangement under the Fashion District Hedging Agreements or entered into by any Fashion District Obligor in the ordinary course of its banking arrangements but only so long as (i) such arrangement does not permit credit balances of any Fashion District Obligor to be netted or set off against debit balances of persons who are not Fashion District Obligors and (ii) such arrangement does not give rise to other security over the assets of the Fashion District Obligors in support of liabilities of persons who are not Fashion District Obligors;

(f) any security arising by operation of Luxembourg law in favour of tax and other public authorities; and

(g) any security arising under any retention of title arrangements, any hire purchase or conditional sale arrangements or any arrangements having similar effect in respect of goods supplied to an Fashion District Obligor in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by a Fashion District Obligor provided that such security is discharged within 60 days of its coming into existence.

While a Loan Event of Default is continuing, no additional security which would otherwise be permitted (except for any security arising by operation of law) may be granted, without the prior written consent of the Fashion District Facility Agent.

Distributions

The Fashion District Obligors are not permitted to declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee, distributions or expenses) in the nature of or intended to act as a distribution to any of its shareholders or unitholders (as applicable) or make any payments in respect of financial indebtedness owed to any of its shareholders or unitholders (as applicable) (in that capacity) (whether in cash or in kind), other than:

(a) any distribution of cash:

(i) made by any member of the Fashion District Group to any of its holding companies provided that such holding company is also a member of the Fashion District Group;

(ii) made by the Fashion District Company to a person that is not a member of the Fashion District Group,

provided that such distribution:

(A) may only be made out of monies standing to the credit of any Fashion District General Account (other than any monies standing to the credit of any Fashion District General Account which have been transferred to that account for any purpose expressly described under "*—Fashion District Loan Accounts—Accounts of the Fashion District Obligors*") above; and

(B) is made at a time when no Loan Default is continuing or would occur immediately as a result of the distribution; and

(b) any distribution (other than of cash or by transfer or disposal of a Fashion District Control Account, any part of any Fashion District Property, any of the rights to receive Rental Income or any shares which have been issued prior to the date of the distribution) made by any member of the Fashion District Group to any of its holding companies or by the Fashion District Company to any person provided that such distribution is:

(i) is made at a time when no Loan Default is continuing or would occur immediately as a result of the distribution; and

(ii) either:

(A) other than to the extent paragraph (B) below is complied with only, made or discharged by an issuance of shares permitted pursuant to the Fashion District Loan Agreement or the increase in share premium or other equivalent arrangement; or

(B) left outstanding and that amount outstanding owed to any such holding company or person as a result of the distribution constitutes financial indebtedness incurred by that member of the Fashion District Group under a subordinated loan or Fashion District Investor Debt.

Guarantee of Fashion District Targets

Each Fashion District Target is a Fashion District Guarantor under the Fashion District Loan Agreement.

Under the Fashion District Loan Agreement, each Fashion District Guarantor: (a) guarantees performance of each other Fashion District Obligor's obligations under the Loan Finance Documents; (b) undertakes that whenever another Fashion District Obligor does not pay any amount when due under or in connection with any Loan Finance Document, that Fashion District Guarantor shall pay that amount as if it was the principal obligor; and (c) agrees that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify that the Loan immediately on demand against any cost, loss or liability it incurs as a result of any other Fashion District Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Loan Finance Document.

Guarantee Limitations

The obligations of each Fashion District Target in its capacity as Fashion District Guarantor in respect of the obligations of any other Fashion District Obligor which is not a direct or indirect subsidiary of such Fashion District Target (the "**Guarantee Obligations**") are limited to, under the Fashion District Loan Agreement, a maximum of:

(a) in respect of the Guarantee Obligations of the Fashion District Mantova Target, the amount equal to the sum of all rental payments obligations owed by the Fashion District Mantova Target to the Fashion District Borrower under each master lease to which the Fashion District Mantova Target is a party, which (i) are due but unpaid under each of such master leases at that time and (ii) will become due at any time thereafter until the expiry of each such master leases (the "**Relevant Mantova Amount**") provided that the Relevant Mantova Amount shall be calculated on the basis of the factual circumstances applicable at the time of the calculation and in any event adjusted with a net present value formula applying a discount rate equal to 3 per cent; and

(b) in respect of the Guarantee Obligations of Fashion District Molfetta Target, the amount equal to the sum of all rental payments obligations owed by the Fashion District Molfetta Target to the Fashion District Borrower under each master lease to which the Fashion District Molfetta Target is a party, which (i) are due but unpaid under each of such master leases at that time and (ii) will become due at any time thereafter until the expiry of each such master leases (the "**Relevant Molfetta Amount**")

provided that the Relevant Molfetta Amount shall be calculated on the basis of the factual circumstances applicable at the time of the calculation and in any event adjusted with a net present value formula applying a discount rate equal to 3 per cent.,

in each case minus any proceeds already received by any of the Loan Finance Parties pursuant to the enforcement of any Loan Transaction Security granted by the respective Fashion District Target.

In order to comply with the provisions of the Civil Code in relation to unlawful financial assistance, the Guarantee Obligations of the Fashion District Targets shall not include and shall not extend, whether directly or indirectly, to any indebtedness (or any refinancing thereof) incurred by any Fashion District Obligor in relation to the acquisition or subscription of shares or quota in the Fashion District Targets or any of their respective direct or indirect holding companies and/or any related transaction costs.

In order to comply with article 1938 of the Civil Code, the aggregate maximum amount which may be required to be paid by each Fashion District Target in respect of its Guarantee Obligations are limited to:

(a) in respect of the Fashion District Mantova Target, the Fashion District Allocated Loan Amount of the Fashion District Mantova Outlet; and

(b) in respect of the Fashion District Molfetta Target, the Fashion District Allocated Loan Amount of the Fashion District Malfetta Outlet.

Common Terms Relating to the Loans

The following provides a summary of the common terms relating to the Globe Loan, the Calvino Loan and the Fashion District Loan.

Usury

If at any time the interest rate stated to be payable under a Loan would cause a breach of Italian usury law, then the rate of interest payable under that Loan shall be capped, for the shortest possible period, at the maximum amount permitted to be payable under Italian law.

Illegality

If it becomes unlawful for any Lender (an "**Illegal Lender**") to perform any of its obligations under the Loan or to fund or maintain its participation in the Loan that Lender shall promptly notify the Borrower Facility Agent upon becoming aware of that event. The commitment of that Lender under the Loan will be cancelled and the Borrower shall repay that Lender's participation in the Loan made to it.

The Globe Obligors and the Fashion District Borrower may choose to have the Illegal Lender transfer its Loan to another lender, rather than repaying the relevant Loan pursuant to the provisions of the relevant Loan Agreement.

Representations and Warranties

Under each Loan Agreement each Loan Obligor makes representations and warranties to each Loan Finance Party on the date of that Loan Agreement. Certain of the representations (and, for the Calvino Loan Agreement, all the representations) are repeated (by reference to the facts and circumstances then existing) on the date a utilisation of the Loan is requested, the date a utilisation of the Loan is made and each Loan Payment Date. The representations and warranties relate to matters which are normally the subject of representations and warranties in loan agreements secured on similar commercial real estate and include (among others) representations and warranties as to (a) the formation, power and authority of each Loan Obligor; (b) that obligations under the transaction documents are binding on each Loan Obligor; (c) the obligations of the Loan Obligors do not conflict with any other obligations of that Loan Obligor; (d) that the transaction documents are valid and admissible in evidence; (e) that no Loan Default is continuing and no other event or circumstance is outstanding which constitutes a breach to any agreement or instrument which is binding on a Loan Obligor or to which Loan Obligor’s assets are subject, which would have a material adverse effect; (f) that information provided by each Loan Obligor is accurate; (g) that no litigation or insolvency proceedings in respect of a Loan Obligor have commenced or are pending; (h) that no Loan Obligor is party to any material agreement other than the Loan Finance Documents; and (i) that the applicable Loan Obligor has title to the Properties.

General Undertakings

The general undertakings by each Loan Obligor under the relevant Loan Agreement include covenants as to matters relating to each Loan Obligor and the relevant Loan Finance Documents and the Properties. These include (among others) undertakings by the Loan Obligor to (a) maintain necessary authorisations; (b) to comply with the law; (c) to not grant security over its assets (in each case subject to customary care-out exclusions and materiality qualifications); to not dispose of its assets; (d) to not incur financial indebtedness or grant guarantees; (e) to not change its business, in particular, with specific reference to the Globe Loan Agreement, each Globe Borrower has undertaken not carry on any business other than the ownership, development and management of its interests in the Globe Property in which it has an interest; (f) to not make any acquisitions; and (h) to not make any distributions.

The sections "*—The Globe Loan Summary*", "*—The Calvino Loan Summary*" and "*—The Fashion District Loan Summary*" provide details of certain qualifications to the undertakings described above relating to the specific Loans.

Information Undertakings

Financial Statements

The Calvino Borrower and the Fashion District Borrower are required to supply to the relevant Borrower Facility Agent their audited annual financial statements and their unaudited half-year reports. For the Calvino Loan, the Calvino Borrower must also deliver the audited financial statements of the Calvino SGR each year. For the Fashion District Loan, the Fashion District Company shall supply to the Fashion District Facility Agent its unaudited consolidated annual financial statements.

The Globe Company is required to supply to the Globe Facility Agent with its audited consolidated annual financial statements and the annual unaudited financial statements of each Globe Obligor as well as the certified quarterly management accounts of each Globe Borrower and the financial statements of each Globe Obligor for each financial quarter.

The reporting times for the delivery of such reports is set forth below:

Loan	Date for Delivery of Annual Financial Statement	Date for Delivery of Quarterly Accounts Half-Year Reports
Globe Loan	Earlier of: (a) 180 days after end of financial year; and (b) 45 days after approval	As soon as available, but no later than 60 days after the end of each financial quarter
Calvino Loan	Within 120 days of end of financial year	Within 60 days of end of half-year
Fashion District Loan	Within 180 days of end of financial year; same term applies for the delivery of the Fashion District Company's unaudited consolidated financial statements	Within 60 days of end of half-year

Compliance Certificate – Globe Loan

The Globe Company, by no later than five Loan Business Days prior to each Globe Test Date, is required to supply to the Globe Facility Agent, a compliance certificate setting out (in reasonable detail) computations as to compliance with (a) the Globe Debt Service Cover Ratio as at the date as at which the latest financial statements were drawn up and (b) the Globe Loan to Value as at the date as at which the latest Valuation was drawn up.

The Globe Company shall also supply to the Globe Facility Agent, as soon as the same become available but in any event within 60 days after the start of each financial year of the Globe Company, an annual budget for that financial year. Such budget must include a quarterly projected consolidated profit and loss, balance sheet and cashflow statement for the corporate group and projected financial covenants calculations.

If the Globe Company updates or changes the budget in any material respect, it shall within no more than ten Loan Business Days of the update or change being made, deliver to the Globe Facility Agent such updated or changed budget together with a written explanation of the main changes in that budget.

No later than five days before each Loan Payment Date the Globe Company must provide a report to the Globe Facility Agent on the Globe Properties which includes a schedule of tenants, management accounts, rent arrears, rent reviews and capex.

Compliance Certificate – Calvino Loan

In respect of the Calvino Loan, the Borrower is required to supply to the Borrower Facility Agent, five Loan Business Days prior to each Calvino Test Date, a compliance certificate setting out (in reasonable detail) computations as to compliance with the financial covenants in the Loan Agreement and the finance costs due in connection with the Loan Agreement in the 12-month period ending on the date thereof and a best estimate of the financial costs in the 12-month period commencing on the date thereof.

The Calvino Borrower is also required to provide a quarterly management report on or before the date 5 Loan Business Days before each Loan Payment Date in respect of the Calvino Properties.

Compliance Certificate – Fashion District Loan

The Fashion District Borrower is required to deliver a compliance certificate to the Fashion District Facility Agent on each day falling five Loan Business Days before each Loan Payment Date confirming (and including any necessary computations compliance with the financial covenants under the Fashion District Loan Agreement and the amounts to be transferred into the Fashion District Obligor's accounts on such Loan Payment Date.

The Fashion District Company or the Fashion District Borrower is also required to deliver to the Fashion District Facility Agent on the date of delivery of each compliance certificate, a quarterly management report in respect of the Fashion District Properties.

Miscellaneous Information – Globe Loan

The Globe Company is required to provide to the Globe Facility Agent (a) notification of any Loan Default and (b) certain miscellaneous information relating to the Globe Obligors and Globe Properties including details of any significant litigation, changes to the Globe Business Plan, documents sent to shareholders and information concerning the financial condition, business and operations of each Globe Obligor.

Miscellaneous Information – Calvino Loan

The Calvino Borrower is required to (a) notify the Borrower Facility Agent of any Loan Default and (b) to provide certain miscellaneous information relating to the Properties, the ownership of the Borrower, the Borrower's business plan and operating budget, taxes on the properties, such information as the Lender reasonably requests and definitive reports on title following the acquisition of new properties.

Miscellaneous Information – Fashion District Loan

The Fashion District Obligors are required to (a) notify the Fashion District Facility Agent of any Loan Default and (b) provide certain miscellaneous information to the Fashion District Facility Agent relating to the Fashion District Properties including, documents sent to shareholders and unitholders, details of litigation and environmental claims which if adversely determined would have a Loan Material Adverse Effect, new Fashion District Hedging Agreements, leases (upon request of the Fashion District Facility Agent), asset management agreements and details of intra-group debt.

Asset Manager

Globe Asset Manager

No Globe Obligor may appoint any Globe Asset Manager or terminate or vary the terms of the appointment of a Globe Asset Manager without the prior consent of the Globe Facility Agent. Each Globe Borrower shall have the right to enter into asset management agreements on arm's length terms with a special purpose vehicle whose majority shares are held by Globe LuxCo Master or the Globe Investor for the purposes of replacing an existing asset manager.

Pursuant to the terms of the Loan Agreement, the Globe Obligors caused each Globe Asset Manager to enter into a Globe Duty of Care Agreement in the form agreed with the Globe Facility Agent. The Globe Loan Agreement requires that the Globe Asset Manager does not receive a base management fee which is, in aggregate with the base fees paid to any other Globe Asset Manager, in excess of €250,000 per annum, as increased on an annual basis starting from 24 November 2014 in order to take into consideration possible effects of inflation (if any).

The Globe Asset Manager fees are to be paid by the Globe Borrowers.

Calvino Asset Manager

As of the Cut-Off Date, the Calvino SGR performs the function of asset manager for the Calvino Properties. However, it is possible for the Calvino Borrower to appoint a separate asset manager.

The Calvino Borrower may not, with respect to the Calvino Loan, appoint or replace the Calvino Asset Manager or vary the terms of its appointment without the prior consent the Borrower Facility Agent (acting reasonably) and any replacement Calvino Asset Manager must have the same market reputation as the outgoing Calvino Asset Manager. The Calvino Asset Manager is required to have professional indemnity cover satisfactory to the Lender and for an amount equal to at least 33.33 per cent. of the Rental Income of all the applicable Calvino Properties.

The Calvino Asset Manager fees are to be paid by the Calvino Borrower.

Fashion District Asset Manager

The Fashion District Borrower shall ensure that the terms of each asset management agreement entered into with the Fashion District Asset Manager with regard to the asset management of the Fashion District Properties shall provide that:

(a) If the Loan Transaction Security created over the Fashion District Borrower's shares is subject to enforcement by the Fashion District Security Agent in accordance with the terms of the relevant Loan Security Document, the Fashion District Facility Agent may immediately terminate such asset management agreement by notice to the Fashion District Asset Manager (without prejudice to any amounts due amount due and payable to that asset manager under the relevant asset management agreement before the date of termination and without triggering any termination fees or penalties in excess of those payable on any other "without cause" termination by the Fashion District Borrower); and

(b) The right of the Fashion District Facility Agent to terminate the relevant asset management agreement cannot be amended, varied or waived without the prior written consent of the Fashion District Facility Agent.

The Fashion District Asset Manager fees are to be paid by the Fashion District Borrower.

Property Undertakings

Globe Loan

The Globe Borrowers and the Globe ComCos may not, without the Lender's consent, (a) grant a new lease, (b) amend, extend, waive or surrender a lease in a way which is materially prejudicial to the interests of the Lender, (c) exercise a right to break or extend a lease where to do so would be materially prejudicial to the interests of the Lender, (d) forfeit a lease where to do so would be materially prejudicial to the interests of the Lender, (e) grant a license to use or occupy a property where to do so would be materially prejudicial to the interests of the Lender, (f) consent to a sublease or assignment where to do so would be materially prejudicial to the interests of the Lender, (g) agree to a change of use or rent decrease where to do so would be materially prejudicial to the interests of the Lender, (h) permit the forfeiture of a lease where to do so would be materially prejudicial to the interests of the Lender or (i) enter into a lease with a related party other than on arm's length terms.

Each Globe Obligor is required to diligently collect Rental Income, exercise its rights under the leases and, if required by the Globe Security Agent, apply for relief against forfeiture of any lease.

Calvino Loan

In respect of the Calvino Loan, the Calvino Borrower is not permitted to (a) vary any lease, (b) break or extend any lease, (c) grant a licence to occupy a Property, (d) consent to a sublease or assignment of a tenant's rights or (e) agree to a change of use or rent review in a way that is materially prejudicial to the Lender without its consent. The Lender's consent is also required to give a notice to a former tenant which might entitle it to a new lease where this is, or might be, prejudicial to the Lender.

The Calvino Borrower is required to diligently collect rental income, exercise its rights under the leases and comply with its obligations under the same and use reasonable endeavours to ensure tenants comply with their obligations under the leases.

Fashion District Loan

The Fashion District Loan Agreement restricts the ability of a Fashion District Obligor to take certain actions in relation to occupational leases without the Fashion District Facility Agent's prior written consent including: (a) entering into an agreement for an lease; (b) granting any new lease; (c) consenting to any assignment or sub-letting in respect of any lease; (d) consent to any change of use in respect of any tenant's interest under any lease; (e) forfeiting or exercising any right of re-entry, or exercising any option or power to break, determine or extend the term of any occupational lease (f) accepting or permitting the surrender of all or any part of any occupational lease (g) agreeing to any rent review under an occupational lease (other than upward rent review), or (h) agreeing to any amendment, extension or waiver in respect of any occupational lease (each, a "**Fashion District Letting Activity**").

The restrictions above do not apply to any Fashion District Permitted Letting Activity.

Master Leases – Fashion District Loan

The Fashion District Loan Agreement restricts the ability of a Fashion District Obligor to take certain action in relation to the leases between the Fashion District Borrower and the Fashion District Targets (the "**Fashion District Master Leases**") without the Fashion District Facility Agent's prior written consent, including: (a) agreeing to any amendment, supplement or waiver of any Fashion District Master Lease other than any amendment which does not adversely impact the interests of the relevant Loan Finance Parties; (b) exercising any pre-emption or call option right arising under a Fashion District Master Lease in respect of any Property; and (c) surrendering or terminating any Fashion District Master Lease.

Maintenance

Each of the Globe Borrower and the Calvino Borrower has agreed to ensure that all buildings, plant, machinery, fixtures and fittings on its respective Property are in, and maintained in good and substantial repair and condition and, as appropriate, in good working order and such repair, condition and order as to enable them to be let in accordance with all applicable laws and regulations.

Each Fashion District Obligor is required to repair and keep in good and substantial repair and condition the Properties as required in accordance with good estate management (other than any repairs that are required to be carried out by a tenant under the terms of an occupational lease).

Development and Capex

Globe Loan

The Globe Dima Borrower is required to use its best efforts to procure that the relevant tenant(s) carry out, or, in any case carry out directly, the capex identified in the technical report provided as a condition precedent to the Globe Loan in respect of the ground floor relevant snack bar, second floor relevant snack bar and utility room of the multiplex cinema composing the Globe Property known as Fiume Veneto within 42 months of the date of utilisation of the Globe Loan.

No Globe Borrower may (except as set out below) make or allow to be made any application for planning permission in respect of any part of its Globe Property, or carry out, or allow to be carried out, any demolition, construction, structural alterations or additions, development or other similar operations in respect of any part of its Globe Property.

The Globe Borrowers may carry out:

(a) maintenance of the buildings, plant, machinery, fixtures and fittings;

(b) non-structural improvements or alterations which affect only the interior of any building on a Globe Property; or

(c) any activity entailing liability and/or potential liability for the Globe Obligors in an amount not exceeding, in aggregate at any time and together with the liabilities and/or potential liability incurred for any other such work, €7,500,000 (such capex and development work being ("**Globe Major Works**"), provided that;

(i) such Globe Major Works do not disrupt trading activities at the Globe Property in any material ways and do not reducing the Rental Income during the completion of such Globe Major Works by more than 5 per cent. (based on the Rental Income immediately prior to the commencement of the work and ignoring any effect of the Globe Vendor's Guarantee);

(ii) the expected completion date of such Globe Major Works is scheduled to take place at least 6 months prior to the Globe Loan Maturity Date; and

(iii) as at the date of the commencement of the relevant Globe Major Works and on any Loan Payment Date thereafter until the completion of the relevant activities the Globe Company provides the Globe Facility Agent with evidence that the relevant Globe Obligor has Globe Free Cash for at least an amount equal to any liability and/or potential liability which may arise in connection with any Globe Major Works which are undertaken.

Calvino Loan

The Calvino Borrower is not permitted to make any application for planning permission in respect of any part of the Properties or carry out any construction or demolition in respect of the Properties. Maintenance of the Properties and non-structural alterations are permitted by the Calvino Loan Agreement.

The Calvino Borrower is required to carry out the Calvino Capex substantially in compliance with the Calvino Business Plan, substantially in line with the recommendations of the building survey and technical due diligence report prepared by WT Partnership Italia Srl dated May 2014, in compliance with good industry practices and the Calvino Capex Covenants. If a tenant performs part of the Calvino Capex (and documentary evidence of the same is provided) or the Calvino Borrower cannot carry out part of the Calvino Capex because it is not granted adequate access to a Property where it has made its best efforts to access the Property, then the Calvino Borrower may reduce the Calvino Capex.

In this section:

"**Calvino Capex**" means any expenditure in relation to the Calvino Properties in order to increase their value including extraordinary works (*interventi straordinari*) and any other expenditure (including, but not limited to, real estate works, fitting and fixtures), or obligation in respect of such expenditure, in a minimum aggregate amount of €1,750,000 to be carried out by the Calvino Borrower substantially in line with the Calvino Business Plan and the Calvino Capex Covenants, and which in accordance with local GAAP is treated as capital expenditure.

"**Calvino Capex Covenants**" means the information in the following table:

CAPEX COVENANTS

Property (Short Name)	Within first 12 months from the First Utilisation Date	Between month 12 (excluded) and month 36 (included) after the First Utilisation Date	Between month 36 (excluded) and month 60 (included) after the First Utilisation Date	Total by Property
Roma	€128,000	€761,000	€40,425	€929,425
Milano	€0	€4,800	€22,855	€ 27,655
Assago	€0	€188,300	€19,425	€207,725
Agrate	€30,000	€15,300	€13,125	€ 58,425
Ivrea	€0	€11,000	€1,400	€12,400
Torino	€89,000	€186,450	€53	€275,503
Treviso	€12,000	€80,800	€5,250	€98,050
Trieste	€12,000	€35,000	€4,200	€51,200
Mestre	€8,500	€70,000	€11,025	€89,525
TOTAL	**€279,500**	**€1,352,650**	**€117,758**	**€1,749,908**

"**Calvino Business Plan**" means the business plan delivered to the Lender as a condition to the utilisation of the Loan and any update of the same.

Fashion District Loan

Neither the Fashion District Borrower nor a Fashion District Target shall, at any time, without the prior written consent of the Fashion District Facility Agent effect, carry out or permit any demolition, reconstruction, redevelopment or rebuilding of, or any structural alteration to, the Fashion District Properties; or incur capital expenditure in respect of works of alteration, addition, maintenance, repair, improvement, refurbishment and/or extension to the Fashion District Properties, (each, a "**Fashion District Capex Project**"), unless such Fashion District Capex Project is a Fashion District Permitted Capex Project.

"**Fashion District Permitted Capex Project**" means any Fashion District Capex Project which:

(a) is a Fashion District Capex Project where the entire cost of such Fashion District Capex Project is recoverable from the tenants of a Fashion District Property by way of Fashion District Service Charge Proceeds;

(b) is required to be undertaken by law;

(c) is required to be undertaken by the Fashion District Borrower under the terms of any lease;

(d) is made with the prior written consent of the Lender (such consent not to be unreasonably withheld);

(e) is required to be undertaken or permitted to be undertaken by a tenant under the terms of any lease if the costs and expenses in connection with such Fashion District Capex Project are not required to be paid for in whole or in part by the Fashion District Borrower;

(f) can be funded from amounts standing to the credit of the Fashion District General Accounts and has projected costs (as at the date of commencement of such Fashion District Capex Project) which are less than or equal to 10 per cent. of the aggregate market value of the Fashion District Properties (calculated by reference to the then most recent Fashion District Valuation); or

(g) is necessary to ensure that no Fashion District Loan Event of Default or Loan Default in respect of damage to the Fashion District Properties occurs and which can be funded from amounts standing to the credit of the Fashion District General Accounts and any Fashion District Excluded Insurance Proceeds that the relevant insurer has committed to advance under any insurance policy.

Remedial Action

The Globe Obligors are required to use their best efforts to solve or mitigate the issues set out in the reports provided as conditions precedent to the Globe Loan Agreement which include (among others) (a) obtaining authorisations relating to a the Globe Property known as the Monfalcone shopping centre, (b) obtaining a fitness for use certificate (*certificato di agibilità*) for the Globe Property known as the Vicenza shopping centre, (c) obtaining the authorisation to do (and then do) works concerning the treatment and discharge of the rainwater coming from certain parking areas within certain Globe Properties, and (d) obtaining a missing fire prevention certificate in relation to certain of the Globe Properties.

Insurances

Globe Loan

The Globe Company must ensure that at all times insurances are maintained in full force and effect which insure each Globe Obligor in respect of its interests in each Globe Property and the plant and machinery on each Globe Property for their full replacement value. Such insurance must: (a) provide cover against loss or damage by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes, subsidence and all other normally insurable risks of loss or damage; (b) provide cover for site clearance, shoring or propping up and professional fees and value added tax according to tax regulations applicable to the beneficiary of the insurance compensation together with adequate allowance for inflation; (c) provide cover against acts of terrorism, including any third party liability arising from such acts; (d) provide cover for loss of rent (in respect of a period of not less than three years or, if longer, the minimum period

required under the lease documents) including provision for any increases in rent during the period of insurance; and (e) include property's owner liability *vis-à-vis* third party insurance for a minimum amount of €7,500,000 (provided that in case any Globe Obligor carries out any major work on any Globe Properties a public liability insurance cover must be implemented in relation to the affected Globe Property, in each case, in line with standard market practice and in form and substance satisfactory to the Globe Facility Agent.

The Globe Company must also insure such other risks as a prudent company in the same business as the Globe Obligors would insure.

The insurances taken out by the Globe Obligors must be in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Globe Facility Agent on the basis of the applicable market practice. The relevant insurance company or underwriter shall have the Requisite Rating and the relevant insured amount for each Globe Property shall be equal to or higher than the relevant reinstatement costs (as identified in the Initial Valuation).

The Globe Company must procure that the Loan Finance Parties are named as additional insured under each of them but without liability on the part of the Globe Security Agent or any other Loan Finance Party for any premium in relation to those insurances.

The Globe Company must procure that the insurances comply with the following requirements:

(a) each of the Insurances must contain:

(i) a non-invalidation and non-vitiation clause under which the insurances will not be vitiated or avoided as against any insured party as a result of any circumstances beyond the control of that insured party or any misrepresentation, non-disclosure, or breach of any policy term or condition, on the part of any insured party or any agent of any insured party;

(ii) a waiver of the rights of subrogation of the insurer as against each Globe Obligor, the Loan Finance Parties and the tenants; and

(iii) a loss payee clause in such terms as the Globe Security Agent may reasonably require in respect of insurance claim payments otherwise payable to any Globe Obligor;

(b) the insurance broker must (i) give at least 15 days' notice to the Globe Security Agent and the Globe Facility Agent if any insurer proposes to repudiate, rescind or cancel any insurance, to treat it as avoided in whole or in part, to treat it as expired due to non-payment of premium or otherwise decline any valid claim under it by or on behalf of any insured party and must give the opportunity to rectify any such non-payment of premium within the notice period and (ii) grant to the Globe Security Agent the right to remedy within reasonable time if one of the events set out under (i) above occurs; and

(c) the relevant Globe Obligor must be free to assign all amounts payable to it under each of its insurances and all its rights in connection with those amounts in favour of the Globe Security Agent.

The Globe Company must promptly notify the Globe Facility Agent of: (a) the proposed terms of any future renewal of any of the insurances; (b) any amendment, supplement, extension, termination, avoidance or cancellation of any of the insurances made or, to its knowledge, threatened or pending; (c) any claim, and any actual or threatened refusal of any claim, for an amount above €100,000 under any of the insurances; and (d) any event or circumstance which has led or may lead to a breach by any Globe Obligor of any obligation of that Globe Obligor under the Globe Loan Agreement in respect of the insurances.

Each Globe Obligor must: (a) comply with the terms of the insurances; (b) not do or permit anything to be done which may make void or voidable any of the insurances; and (c) comply with all reasonable risk improvement requirements of its insurers.

The Globe Company must ensure that each premium for the insurances is paid and all other things necessary are done so as to keep each of the insurances in force.

If a Globe Obligor fails to comply with its obligations with respect to the insurances the Globe Facility Agent may, at the expense of the Globe Obligors, effect any insurance and generally do such things and take such other action as the Globe Facility Agent may reasonably consider necessary or desirable to prevent or remedy any breach of its obligations.

Calvino Loan

The Calvino Loan Agreement required the Borrower to insure (on a full reinstatement basis) each applicable Property (including fixtures) and plant and machinery on each such Property. Such insurance must include: (a) cover against all normally insurable risks of loss or damage arising out *inter alia* of non-vitiation, earthquake, subsidence, building and public liability, fire, storm, tempest, flood, terrorism, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and all other normally insurable risks of loss or damage and such other risks required by the acting reasonably (in the form of an "all risks insurance"); (b) a "**Composite Insured Clause**" pursuant to which (i) the Lender will have a direct and autonomous contractual relationship with the insurance company; (ii) the premia shall be paid by the Borrower, save for the right of the Lender, at its discretion, to pay such premia in case of the Borrower's failure to pay; (iii) in case of misrepresentation or default under the insurance policy by the Borrower, the rights of the Lender shall not suffer any prejudice or limitation; (c) loss of rent insurance in respect of a period of not less than two years; (d) cover against third parties liabilities; (d) a waiver of the rights of subrogation of the insurer as against the tenants of each Property; (e) possibility for the Borrower to assign all amounts payable to it under each of the insurances and all its rights in connection with those amounts in favour of the Lender subject to the provisions of the Loss Payee Clause; (f) obligation of the insurers to serve at least 30 days' notice to the Borrower Facility Agent if any insurer proposes to cancel any insurance or to treat it as expired due to non-payment of premium and must give the opportunity to rectify any such non-payment of premium within the notice period or otherwise decline any valid claim under it by or on behalf of any insured party and must give the opportunity to rectify any such non-payment of premium within the notice period; (g) a minimum insured value in accordance with the best commercial practice; and a Loss Payee Clause in favour of the Lender. The Borrower may not materially modify the terms of the insurances without the Lender's consent.

All insurances must be with primary standing insurance companies satisfying the Requisite Rating. Should the insurer send a notice of cancellation for non-payment of the premium by the Borrower, the latter shall inform the relevant Borrower Facility Agent for them to take any step to avoid any cancellation of the insurance.

The Calvino Borrower must ensure that the Borrower Facility Agent receives copies of the insurances and any material information in connection therewith which the Borrower Facility Agent may reasonably require, including in relation to any claims made thereunder. They must also ensure that the Borrower Facility Agent receives once a year (upon renewal of the Insurances) a certificate from the relevant insurance company, or the Borrower's insurance broker, able to be relied upon by the Loan Finance Parties confirming to the Borrower Facility Agent that the Insurances in place from time to time are satisfying the requirements of the Loan Agreements. The Calvino Borrower must promptly notify the Borrower Facility Agent of: (a) the proposed terms of any new insurance (if substantially different to the existing insurance); (b) any material variation or termination of an insurance which is made or threatened; (c) any claim under an insurance which exceeds €500,000 and any event which has cased or may cause such Borrower to breach the insurance provision of the Loan Agreement.

Insurance proceeds, other than the proceeds of loss of rent insurance, shall be paid into the Calvino Deposit Account. The proceeds of any loss of rent insurance will be treated as Rental Income and applied as if they were Rental Income received over the period of the loss of rent.

In this section, "**Loss Payee Clause**" means the charge over the insurances in the form of "*appendice di vincolo*" for the benefit of the Lender with respect to insurance proceeds (with exclusion of insurance policies covering third parties liability) relating the Properties.

Fashion District Loan

The Fashion District Borrower is required to maintain with Fashion District Approved Insurers:

(a) insurance in respect of the Fashion District Properties and other fixtures and fixed plant and machinery forming part of the Properties and which are owned by the Borrower against loss or damage by fire, storm, tempest, flood, earthquake, subsidence, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes and such other risks and contingencies as are insured in accordance with sound commercial practice to the full reinstatement value thereof including without limitation, the costs of demolition and site clearance, shoring and propping up, any professional fees and VAT where applicable relating thereto (together with provision for forward inflation) provided that

earthquake insurance shall only be required to be effected if available at reasonable cost in the market (and the reinstatement value may be reduced below full reinstatement value to enable such insurance to be effected at reasonable cost) taking into account the risks being insured and on the special assumption that the outstanding principal amount of the Loan was equity at risk for the Borrower;

(b) insurance against the loss of Rental Income or prospective Rental Income for a period of not less than three years including provision for any increases in rent during the period of insurance;

(c) to the extent available in the market, insurance in respect of acts of terrorism in respect of the Properties including any third party liability arising from such acts;

(d) insurance against public liability risks in an aggregate amount insured that is not less than €10,000,000; and

(e) such other risks as a prudent property company carrying on the same or substantially similar business as the Fashion District Borrower would effect.

The Fashion District Borrower is required to ensure that each insurance policy (except any insurance policy in respect of the insurances specified in paragraph (d) or relating to third party liability): (a) is in the names of the Borrower and the Borrower Security Agent (on behalf of the Loan Finance Parties as co insured) and with the interests of the Fashion District Facility Agent noted on each such insurance policy; (b) names the Fashion District Security Agent named as loss payee; and (c) contains a provision under which insurance proceeds are payable directly to the Fashion District Security Agent.

The Fashion District Borrower is required to ensure that all insurance policies contain: (a) a mortgagee clause whereby such insurance policy shall not be vitiated or avoided as against a mortgagee or security holder in the event of or as a result of any misrepresentation, act, neglect or failure to make disclosure on the part of the Fashion District Borrower or any tenant or other insured party (other than the Loan Finance Parties) or any circumstances beyond the control of any insured party and a waiver of all rights of subrogation; and (b) terms providing that it shall not be invalidated so far as the Fashion District Security Agent is concerned for failure to pay any premium due without the insurer first giving to the Fashion District Security Agent not less than 30 days' written notice and an opportunity to rectify any such non-payment of premium within that period.

The Fashion District Borrower is required to: (a) ensure that there has been given to the Fashion District Facility Agent such information in connection with, and copies of, the insurance policies as the Fashion District Facility Agent may at any time require and shall notify the Fashion District Facility Agent of renewals made and material variations or cancellations of insurance policies made or, to the knowledge of the Fashion District Borrower, threatened or pending; (b) not do or permit anything to be done which may make void or voidable any insurance policy; and (c) duly and punctually pay all premiums and other monies payable under all insurance policies and promptly, upon request by the Fashion District Facility Agent, produce to the Fashion District Facility Agent a copy or sufficient extract of every insurance policy together with the premium receipts or other evidence of the payment thereof.

If at any time any Requisite Rating for any insurer or underwriter with which any insurance policy has been effected is not met, the Fashion District Borrower shall as soon as practicable following request from the Borrower Facility Agent (but in any event within 60 days of that request from the Fashion District Facility Agent), effect a new insurance policy with a new insurer or underwriter that meets a Requisite Rating. If following a request from the Fashion District Facility Agent to replace an insurer or underwriter with an insurer or underwriter that meets a Requisite Rating it is not possible to find a replacement insurer or underwriter which meets that Requisite Rating, the Fashion District Facility Agent and the Fashion District Company will consult with each other (for a period of no more than five Loan Business Days and both acting reasonably) with a view to agreeing a substitute insurer or underwriter. At the end of that period of consultation the Fashion District Facility Agent shall specify which alternative insurer or underwriter may be used to effect any insurance policy.

"**Fashion District Approved Insurers**" means in respect of any insurance policy relating to the Fashion District Loan, an insurer or underwriter holding a Requisite Rating at the time that insurance policy is entered into or the identity of which is otherwise approved in writing by the Fashion District Facility Agent.

Environmental Matters

Globe Loan

Each Globe Obligor is required to: (a) comply and ensure that any relevant third party complies with all environmental laws; (b) obtain, maintain and ensure compliance with all requisite environmental permits applicable to it or to a Globe Property; and (c) implement procedures to monitor compliance with and to prevent liability under any environmental law applicable to it or a Globe Property, where failure to do so has or is reasonably likely to have a Loan Material Adverse Effect or result in any liability for a Loan Finance Party.

Each Globe Obligor has agreed to, promptly upon becoming aware, notify the Globe Facility Agent of: (a) any environmental claim started, or to its knowledge, threatened; (b) any circumstances reasonably likely to result in an environmental claim; or (c) any suspension, revocation or notification of any environmental permit.

Each Globe Obligor has agreed to indemnify each Globe Finance Party against any loss or liability which: (a) that Globe Finance Party incurs as a result of any actual breach of any environmental law by any Globe Obligor; and (b) would not have arisen if a Loan Finance Document had not been entered into, unless it is caused by that Loan Finance Party's gross negligence or wilful misconduct.

Calvino Loan

The Calvino Loan Agreement requires the Borrower to: (a) comply with and ensure that any third party complies with all environmental law; (b) to obtain, maintain and ensure compliance with all requisite environmental permits applicable to it or to a Property; and (c) to implement procedures to monitor compliance with and to prevent liability under any environmental law applicable to it or a Property, in each case, where failure to do so has or is reasonably likely to have a Loan Material Adverse Effect or result in any liability for a Loan Finance Party. The Borrower must, promptly upon becoming aware, notify the Borrower Facility Agent of any environmental claim started, or to its knowledge, threatened, any circumstances reasonably likely to result in an environmental claim; or any suspension, revocation or notification of any environmental permit.

The Borrower must indemnify each Loan Finance Party against any loss or liability which:

(a) that Loan Finance Party incurs as a result of any actual or alleged breach of any environmental law by any person; and

(b) would not have arisen if the Loan Finance Document had not been entered into,

unless it is caused by that Loan Finance Party's gross negligence or wilful misconduct.

Fashion District Loan

Each Fashion District Obligor is required to comply with all environmental law applicable to each Fashion District Property, to obtain and comply with all requisite environmental permits, to comply with all other covenants, restrictions or agreements relating to any contamination, pollution or waste and implement the procedures required under any environmental law, in each case where failure to do so would have a Loan Material Adverse Effect.

Loan Event of Default

Each Loan Agreement contains typical loan events of default (each, a "**Loan Event of Default**" or, with respect to the Globe Loan, a "**Globe Loan Event of Default**", with respect to the Calvino Loan, a "**Calvino Loan Event of Default**" or with respect to the Fashion District Loan, a "**Fashion District Loan Event of Default**").

The Loan Events of Default consist of the following:

(a) non-payment of sums due, subject to the following grace periods for delay due to administrative or technical error:

(i) for the Globe Loan, five Loan Business Days;

(ii) for the Calvino Loan, two Loan Business Days; and

(iii) for the Fashion District Loan, three Loan Business Days

(b) breach of financial covenants (unless remedied by a cure payment, or, if applicable, where the breach is remedied by a prepayment);

(c) breach of certain obligations under the Loan Agreement, subject to the following grace periods:

(i) for the Globe Loan, 15 Loan Business Days;

(ii) for the Calvino Loan, either five or 15 Loan Business Days depending upon the type of obligation; and

(iii) for the Fashion District Loan, 21 days;

(d) a misrepresentation, subject to the following grace periods:

(i) for the Globe Loan, 15 Loan Business Days;

(ii) for the Calvino Loan, 15 Loan Business Days; and

(iii) for the Fashion District Loan, 21 days;

(e) financial indebtedness is not paid when due, subject to the following thresholds:

(i) for the Globe Loan, no threshold;

(ii) for the Calvino Loan, amounts due for €500,000 or higher; and

(iii) for the Fashion District Loan, amounts due for €100,000 or higher;

(f) any of the following entities is unable to pay its debts when due, suspends payment of its debts, negotiates rescheduling its indebtedness or a moratorium is declared in respect of its indebtedness;

(i) for the Globe Loan, a Globe Transaction Obligor (and the events will include the situation where the value of its assets are less than the value of its liabilities);

(ii) for the Calvino Loan, the Calvino SGR; and

(iii) for the Fashion District Loan, a Fashion District Obligor;

(g) certain insolvency events with regard to the various Loan Obligors, as set forth below:

(i) with regard to the Globe Loan, any action is taken in relation to a Globe Transaction Obligor in respect of a moratorium of indebtedness, suspension of payments, winding-up, dissolution, administration or reorganisation (or similar proceedings), composition, compromise or arrangement with a creditor, the appointment of a liquidator, administrator, compulsory manager or enforcement of security (or analogous procedure or step in any jurisdiction), other than a winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 90 days of commencement;

(ii) with regard to the Calvino Loan, any of the following events:

(A) commencement of insolvency proceedings with respect to the Calvino Borrower (other than proceeding contested in good faith and discharged), enforcement, winding up, composition with creditors (or similar arrangements) or assignment of its assets pursuant to article 1977 of the Civil Code (*cessione dei beni ai creditori*), in each case (with respect to the Calvino SGR only) other than where the Calvino SGR is replaced with 120 days;

(B) any attachment, sequestration, distress, execution affects a Property or any other asset(s) of the Calvino Borrower being subject to a Loan Security Document which is not discharged within 20 Loan Business Days or demonstrated to be frivolous and vexatious; or any other asset(s) of the Borrower to the extent that it has a Loan Material Adverse Effect or is not discharged within 25 Loan Business Days or demonstrated to be frivolous and vexatious; or

(C) the Calvino Borrower ceases, or threatens to cease, to carry on business;

(iii) with regard to the Fashion District Loan, an of the following events:

(A) a Fashion District Obligor is unable to pay its debts as they fall due, suspends making payment on its debt, enters into negotiations regarding rescheduling its financial indebtedness, or its financial indebtedness is subject to a moratorium;

(B) commencement of insolvency proceedings with respect to any Fashion District Obligor (except where such proceedings are frivolous or vexatious and contested in good faith and discharged, stayed or dismissed within 21 calendar days of commencement); or

(C) any expropriation, conservatory or executory seizure or attachment (each, a "**Creditor Process**") affecting any asset of any Fashion District Obligor for an aggregate value (of such Creditor Process) in excess of €100,000 (provided that such proceedings are not discharged, stayed or dismissed within 21 calendar days of commencement);

(h) any litigation, arbitration, proceeding or dispute is started or threatened in writing against any Loan Obligor which is reasonably likely to be adversely determined and if so determined could reasonably be expected to have a Loan Material Adverse Effect or becomes unlawful;

(i) it becomes unlawful for a Loan Obligor to perform any of its obligations under the Loan Finance Documents or any security created or expressed to be created or evidenced by the Loan Security Documents ceases to be effective;

(j) any material obligation or obligations of any Loan Obligor under any Loan Finance Document are not legal, valid, binding or enforceable and this materially and adversely affects the interests of the Loan Finance Parties;

(k) any Loan Finance Document ceases to be in full force and effect or any security created under a Loan Security Document becomes unlawful or ineffective or is alleged by a party to it (other than a Loan Finance Party) to be ineffective or, subject to the legal reservations, ceases to be legal, valid, binding, enforceable;

(l) repudiation of a Loan Finance Document;

(m) any part of a Property is compulsorily purchased and this has a Loan Material Adverse Effect;

(n) part of a Property is damaged and the destruction has a Loan Material Adverse Effect;

(o) any event or circumstance occurs which has a Loan Material Adverse Effect;

(p) in addition the Globe Loan Agreement contains the following additional Loan Events of Default:

(i) the annual audited financial statements of a Globe Obligor is qualified on the grounds that the audit cannot be completed on a going concern basis or that the information provided for the audit is unreliable or inadequate;

(ii) a participation equal to at least 75 per cent. of the corporate capital of the Globe Company is not legally and beneficially owned, directly or indirectly, by the Globe Investor, or, save as a result of any disposal permitted under the Globe Loan Agreement, a Globe Borrower is not or ceases to be a legally and beneficially wholly owned direct or indirect subsidiary of the Globe Company; and

(q) in addition, the Calvino Loan Agreement contains the following additional Loan Event of Default:

(i) any of the circumstances set out in article 1186 of the Civil Code occurs in respect of the Calvino Borrower; and

(r) in addition, the Fashion District Loan Agreement contains the following additional Loan Event of Default:

(i) a Fashion District Master Lease is terminated.

Acceleration

Globe Loan

If, in respect of the Globe Loan Agreement, a Globe Loan Event of Default is continuing, the Globe Facility Agent may, and shall if so directed by the Lender, by notice to the Globe Company: (a) cancel the commitment under the Globe Loan Agreement; (b) declare that all or part of the Globe Loan, together with accrued interest, and all other amounts accrued or outstanding under the Loan Finance Documents be immediately due and payable; (c) declare that all or part of the Globe Loan be payable on demand; and (d) exercise or direct the Globe Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Loan Finance Documents.

Calvino Loan

If, in respect of the Calvino Loan Agreement, a Calvino Loan Event of Default is outstanding, upon expiration of all the relevant cure periods, the Calvino Facility Agent may, and must if so instructed by the Lender, accelerate the payment obligations of the Calvino Borrower by serving a written notice to the latter and: (a) declare that all or part of any amounts outstanding under the Loan Finance Documents are immediately due and payable or payable on demand by the Borrower Facility Agent acting on the instructions of the Lender; (b) take any step to enforce any Loan Transaction Security, or exercise any other rights of the Loan Finance Parties under the Loan Finance Documents; (c) rescind the Loan Agreement; or (d) terminate the Loan Agreement in accordance with article 1456 or article 1453 of the Civil Code.

Fashion District Loan

If, in respect of the Fashion District Loan Agreement, a Fashion District Loan Event of Default is continuing the Fashion District Facility Agent may, and shall if so directed by the Lender, by notice to the Fashion District Borrower: (a) cancel the commitment under the Fashion District Loan Agreement; (b) declare that all or part of the Fashion District Loan, together with accrued interest, and all other amounts accrued or outstanding under the Loan Finance Documents be immediately due and payable; (c) declare that all or part of the Fashion District Loan is payable on demand; (d) enforce Loan Transaction Security or exercise any or all of its rights, under any of the Loan Finance Documents; and/or provide an estimate of any amount which is likely to become due and payable from any Fashion District Obligor pursuant to guarantee and indemnities given by the Fashion District Obligors and declare that amount to be immediately due and payable or to be payable on demand.

Amendments and Waivers

Globe Loan

In respect of the Globe Loan, any term of the Loan Finance Documents may be amended or waived only with the consent of the Lender and the Globe Company. An amendment or waiver which relates to the rights or obligations of the Globe Facility Agent, the Globe Security Agent or the arranger may not be effected without the consent of the Globe Facility Agent, the Globe Security Agent or, as the case may be, the arranger.

Calvino Loan

In respect of the Calvino Loan, any term of the Loan Finance Documents may be amended or waived only with the consent of the Lender and the Borrower, provided that an amendment or waiver which relates to the rights or obligations of the Borrower Facility Agent, the Borrower Security Agent, the arranger or the Calvino Hedge Counterparty may not be effected without their consent.

Fashion District Loan

In respect of the Fashion District Loan, any term of the Loan Finance Documents may be amended or waived only with the consent of the Fashion District Lender, the Fashion District Borrower and the Fashion District Company, provided that an amendment or waiver which relates to the rights or obligations of the Borrower Facility Agent, the Borrower Security Agent or the mandated lead arranger may not be effected without their consent.

Governing Law

The Globe Loan Agreement and the Calvino Loan Agreement are governed by Italian law. The Fashion District Loan Agreement is governed by English law.

Loan Security

Each Loan is secured by the Loan Transaction Security, created pursuant to the Loan Security Documents applicable to that Loan only.

The Fashion District Loan Agreement and the Calvino Loan Agreement are not cross-collateralised. With reference to the Globe Loan Agreement please see section "*Risk Factors—Considerations Relating to the Loans and the Loan Transaction Security—Corporate Benefit*" above.

A summary is provided below in respect of the Loan Security Documents.

The Loan Transaction Security granted under the Italian law-governed Loan Security Documents are as follows:

(a) in respect of the Globe Loan:

(i) first ranking mortgage in relation to the Globe Properties;

(ii) assignment by way of security of the rights arising from the lease agreements relating to a Globe Property;

(iii) assignment by way of security of other receivables relating to the Globe Properties;

(iv) first ranking pledge over the Globe General Accounts;

(v) first ranking pledge over the quotas of each Globe Borrower; and

(vi) Loss Payee Clause over the insurances relating to the Calvino Property;

(b) in respect of the Calvino Loan:

(i) first ranking mortgage in relation to the Calvino Properties;

(ii) assignment by way of security of receivables of the rights arising from the lease agreements relating to the Calvino Properties;

(iii) assignment by way of security of receivables in relation to the rights arising from the preliminary sale agreements and the definitive sale agreements and insurances relating to the Calvino Property;

(iv) first ranking account pledge over the Calvino Borrower's accounts; and

(v) Loss Payee Clause over the insurances relating to the Calvino Property;

(c) in respect of the Fashion District Loan:

(i) first ranking mortgage in relation to each Fashion District Property;

(ii) first ranking account pledge in respect of each Fashion District Control Account located in Italy;

(iii) assignment by way of security of rights under the acquisition agreement;

(iv) assignment by way of security of receivables in respect of the Fashion District Master Lease;

(v) first ranking pledge over the quotas of each Fashion District Target;

(vi) assignment by way of security of receivables in respect of each occupational lease and under the trademark licence agreement; and

(vii) first ranking account pledge in respect of the Fashion District Existing Account.

Luxembourg Law-governed Loan Transaction Security

The Loan Transaction Security granted under the Luxembourg-law governed Loan Security Documents are as follows:

(a) in respect of the Globe Loan:

(i) first ranking pledge in respect of the receivables arising from, inter alia, any shareholder and/or intercompany loan;

(ii) first ranking pledge over the Globe LuxCo General Account, the Globe Company General Account and the Globe Debt Service Account;

(iii) first ranking share pledge in respect of the shares in the Globe Company; and

(iv) first ranking share pledge in respect of the shares in the Globe LuxCo 18;

(v) first ranking share pledge in respect of the shares in the Globe LuxCo 20; and

(vi) first ranking share pledge in respect of the shares in the Globe LuxCo 9.

(b) in respect of the Fashion District Loan:

(i) first ranking account pledge in respect of each Fashion District Control Account located in Luxembourg;

(ii) first ranking share pledge in respect of the shares in the Fashion District Holdco;

(iii) first ranking receivables pledge in respect of any subordinated loans to the Fashion District Holdco;

(iv) first ranking account pledge in respect of each Fashion District Control Account located in Luxembourg;

(v) the Fashion District REIF unit pledge agreement; and

(vi) first ranking receivables pledge in respect of any subordinated loans to the Fashion District Borrower;

English Law-governed Loan Transaction Security

(a) in respect of the Globe Loan:

(i) assignment by way of security of receivables in relation to the rights arising from the Globe Hedging Agreements;

(ii) security agreement entered into between the Globe Dima Borrower and the Globe Security Agent;

(iii) security agreement entered into between the Globe Falcone Borrower and the Globe Security Agent; and

(iv) security agreement entered into between the Globe Palladio Immobiliare Borrower and the Globe Security Agent;

(b) in respect of the Calvino Loan: assignment by way of security of receivables in relation to the rights arising from the Calvino Hedging Agreements; and

(c) in respect of the Fashion District Loan: first ranking assignment of rights under the Fashion District Hedging Agreements and the insurance policies.

Enforceability of the Loan Transaction Security

With reference to the Globe Loan, as long as a Globe Loan Event of Default is occurred and is continuing, the Globe Facility Agent may exercise or direct the Globe Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Loan Finance Documents, including under Italian law, the enforcement of the Loan Transaction Security created under the Loan Security Documents. For further details see under section entitled "*—Acceleration—Globe Loan*" above.

With reference to the Calvino Loan, the Loan Transaction Security created under the Loan Security Documents is expressed to be enforceable if a Loan Event of Default has occurred, is outstanding and the relevant cure periods are expired, provided that the Borrower Facility Agent has accelerated the payment obligation of the Borrower by serving to the latter a written notice, as described under section entitled "*—Acceleration—Calvino Loan*" above.

With reference to the Fashion District Loan, the Loan Transaction Security created under the relevant Loan Security Documents is expressed to be enforceable if a Fashion District Loan Event of Default has occurred and is continuing, provided that the Fashion District Facility Agent has given notice to the Fashion District Borrower, as described under section entitled *"—Acceleration—Fashion District Loan*" above.

Perfection Requirements of the Loan Transaction Security

The Loan Transaction Security has been perfected in accordance with the requirements and the formalities set out in the Loan Transaction Security Documents for all the Loans.

DESCRIPTION OF THE HEDGING ARRANGEMENTS

With a view to protecting the Borrowers against certain increases in the interest rate payable under the Loans, due to fluctuations in Loan EURIBOR, the Borrowers have entered into the following interest rate cap transactions:

(a) each of the Globe Borrowers has entered into an interest rate cap agreement (the "**Globe Interest Rate Cap Transaction**") with the relevant Hedge Counterparty;

(b) the Calvino Borrower has entered into an interest rate cap agreement (the "**Calvino Interest Rate Cap Transaction**") with the relevant Hedge Counterparty; and

(c) the Fashion District Borrower has entered into interest rate cap agreement (the "**Fashion District Interest Rate Cap Transaction**") with the relevant Hedge Counterparty.

The Globe Interest Rate Cap Transaction, the Calvino Interest Rate Cap Transaction and the Fashion District Interest Rate Cap Transaction are collectively defined herein as, the "**Hedging Arrangements**".

The Globe Interest Rate Cap Agreement

The Globe Interest Rate Cap Transactions are evidenced by long-form confirmation dated 12 December 2014 governed by the 2002 ISDA Master Agreement (the "**Globe Interest Rate Cap Confirmation**"). The Globe Interest Rate Cap Confirmation supplements, forms part of, and is subject to a 2002 ISDA Master Agreement, which is deemed to have been entered into by the Globe Borrower and the Globe Hedge Counterparty on or prior to 12 December 2012. The Globe Interest Rate Cap Confirmation incorporates by reference the definitions and provisions contained in the definitions contained in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

Pursuant to the Globe Interest Rate Cap Transaction, on each Loan Payment Date under the Globe Loan Agreement, the Globe Hedge Counterparty will exchange an amount (the "**Globe Cap Amount**") equal to the excess (if any) of the rate of interest which is set by reference to Loan EURIBOR, above a specified strike rate (the "**Globe Strike Rate**"), set out below, multiplied by the notional amount in respect of the relevant calculation period (the "**Globe Cap Notional Amount**") in return for a fixed amount paid by each Globe Borrower to the Globe Hedge Counterparty on 16 December 2014.

The Calvino Interest Rate Cap Agreement

The Calvino Interest Rate Cap Transaction is evidenced by a long-form confirmation dated 11 August 2014, and amended on or about the Closing Date, governed by the 2002 ISDA Master Agreement (the "**Calvino Interest Rate Cap Confirmation**"). The Calvino Interest Rate Cap Confirmation supplements, forms part of, and is subject to a 2002 ISDA Master Agreement, which is deemed to have been entered into by the Calvino Borrower and the Calvino Hedge Counterparty on or prior to 7 August 2014. The Calvino Interest Rate Cap Confirmation incorporates by reference the definitions and provisions contained in the definitions contained in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

Pursuant to the Calvino Interest Rate Cap Transaction, on each Loan Payment Date under the Calvino Loan Agreement, the Calvino Hedge Counterparty will exchange an amount (the "**Calvino Cap Amount**") equal to the excess (if any) of the rate of interest which is set by reference to Loan EURIBOR, above a specified strike rate (the "**Calvino Strike Rate**"), set out below, multiplied by the notional amount in respect of the relevant calculation period (the "**Calvino Cap Notional Amount**") in return for a fixed amount paid by the Calvino Borrower to the Calvino Hedge Counterparty on 11 August 2014 and an additional fixed amount paid by the Calvino Borrower to the Calvino Hedge Counterparty on or about the Closing Date.

The Fashion District Interest Rate Cap Agreement

The Fashion District Interest Rate Cap Transaction is evidenced by a long-form confirmation dated 1 December 2014 governed by the 2002 ISDA Master Agreement (the "**Fashion District Interest Rate Cap Confirmation**"). The Fashion District Interest Rate Cap Confirmation supplements, forms part of, and is subject to a 2002 ISDA Master Agreement (including the 1995 ISDA Credit Support Annex subject to English law), which is deemed to have been entered into by the Fashion District Borrower and the Fashion District Hedge Counterparty on or prior to 21 November 2014. The Fashion District Interest Rate Cap Confirmation

incorporates by reference the definitions and provisions contained in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.

Pursuant to the Fashion District Interest Rate Cap Transaction, on each Loan Payment Date under the Fashion District Loan Agreement, the Fashion District Hedge Counterparty will exchange an amount (the "**Fashion District Cap Amount**") equal to the excess (if any) of the rate of interest which is set by reference to Loan EURIBOR, above a specified strike rate (the "**Fashion District Strike Rate**"), set out below, multiplied by the notional amount in respect of the relevant calculation period (the "**Fashion District Cap Notional Amount**") in return for a fixed amount paid by the Fashion District Borrower to the Fashion District Hedge Counterparty on 25 November 2014.

Terms of the Hedging Arrangements

The Hedging Arrangements have the following commercial terms:

Loan	Strike Rate	Notional Amount	Termination Date
Globe Loan	2.50 per cent. to year 4; 3 per cent. afterwards	The related Hedge Confirmation has a schedule for the notional amount intended to keep the notional amount at a level equal to 95 per cent. of the Loan	15 February 2020
Calvino Loan	1.10 per cent. (based on the amortisation profile of the Loan shown in the business plan) Additional Cap: difference between 95 per cent. of the Loan and the balance above is hedged with a strike rate of 5 per cent.	The related Hedge Confirmation has a schedule for the notional amount intended to keep the notional amount at a level equal to 100 per cent. of the securitised portion of the Loan	7 February 2018
Fashion District Loan	2 per cent. for years 1-3; 3 per cent. for year 4; and 4 per cent. for year 5	The related Hedge Confirmation has a schedule for the notional amount intended to keep the notional amount at a level equal to 95 per cent. of the Loan	18 November 2019

Tax Provisions

Under the documentation for each of the Hedging Arrangements, the relevant Borrower and the relevant Hedge Counterparty each represent to the other that no deduction or withholding for or on account of any tax is required from any payment to be made by one party to the other party under the related Hedge Confirmation.

Ratings Downgrade

The Hedge Counterparties for the Globe Interest Rate Cap Transaction, the Calvino Interest Rate Cap Transaction and the Fashion District Interest Rate Cap Transaction are required to maintain a long term unsecured instruments rating of at least:

- for the Fashion District Interest Rate Cap Transaction one of the following: "BBB-" by Fitch, "Baa3" by Moodys and "BBB-" by S&P Inc.;
- for the Calvino Interest Rate Cap Transaction at least "A" by two of the following: DBRS, Fitch, Moodys Inc. and S&P; and
- for the Globe Interest Rate Cap Transaction of at least (i) "A" by Fitch and (ii) either "A" by S&P or "A2" by Moody's,

(together, the "**Hedge Required Ratings**").

If a Hedge Counterparty is downgraded such that it ceases to meet at least one of the Hedge Required Ratings, then within 30 Loan Business Days of the downgrade it must either:

(a) for the Fashion District Loan only, post collateral equal to 100 per cent. of the mark-to-market value of the relevant Hedging Arrangement; or

(b) with respect to either the Globe Loan or the Fashion District Loan, obtain a replacement counterparty with at least one of the Hedge Required Ratings, with the Hedge Counterparty continuing to perform its obligations under the relevant Hedging Arrangement until such a replacement counterparty is in place.

Failure to comply with any of the above would constitute an "**Additional Termination Event**" (as defined in the relevant interest rate cap confirmation) in which case, the related Hedge Counterparty will be the sole "**Affected Party**" (as defined in the related Hedge Confirmation).

VALUATIONS

In relation to the Loans, the Originator engaged the valuers set forth below (the "**Initial Valuers**"), each a member of the Royal Institution of Chartered Surveyors ("**RICS**"), to carry out an independent valuation of the Properties, in accordance with RICS Valuation Professional Standards – Global and UK (the "**Red Book**"), prior to the relevant utilisation of the respective Loan (each, an "**Initial Valuation**").

No.	Loan	Valuer	Valuation	Date
1.	Globe Loan	CBRE	€198,770,000	30 September 2014
2.	Calvino Loan	JLL	€152,300,000	June 2014
3.	Fashion District Loan	Cushman and Wakefield LLP	€130,900,000	30 September 2014

Copies of the Initial Valuations (the "**Property Valuation Reports**"), which set out both the valuation of the relevant Properties and the rental income, can be found at www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/ (the "**Valuation Website**"). The Property Valuation Reports were compiled for the purposes of ascertaining the valuations of the Properties.

The Initial Valuations have been used throughout this Offering Circular.

Prospective investors should be aware that the Property Valuation Reports referred to above were prepared prior to the date of this Offering Circular and therefore refer to the position as at such date. The Initial Valuers have not been requested to update or revise any of the information contained in the reports referred to above, nor will they be asked to do so prior to the issue of the Notes. Accordingly, the information included in the Property Valuation Reports may not reflect the current physical, economic, competitive, market or other conditions with respect to the Properties. None of the Lead Manager, the Originator, the Sole Arranger, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Calculation Agent, the Liquidity Facility Provider, the Representative of the Noteholders, the Corporate Servicer, the Paying Agent or the Issuer Account Bank are responsible for the information contained in the Initial Valuations.

Each of the Initial Valuers accepts responsibility for its Initial Valuation. To the best of the knowledge and belief of the Initial Valuers (each having taken all reasonable care to ensure that such is the case), the information contained in the Initial Valuations is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Initial Valuers has given and not withdrawn its written consent to the inclusion in this Offering Circular of its Initial Valuations as incorporated by reference herein.

The information contained on the Valuation Website must be considered together with all of the information contained elsewhere in this Offering Circular, including without limitation, the statements made in the section entitled "*Risk Factors—Considerations Relating to the Properties—Initial Valuations*". All of the information contained on the Valuation Website is subject to the same limitations, qualifications and restrictions contained in the other portions of the Offering Circular. Prospective investors are strongly urged to read this Offering Circular in its entirety prior to accessing the Valuation Website.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 23 October 2014 as a *società a responsabilità limitata* and on 17 November 2014, it changed its name to "*TAURUS 2015–1 IT S.R.L.*". The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is Via Gustavo Fara, 26, 20124 Milan, Italy, fiscal code and enrolment with the companies register of Milan, 08814400969, in the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of Italy's regulation dated 1 October 2014. The Issuer has no employees and no subsidiaries. The Issuer's telephone's number is +39 027788051.

The authorised and issued quota capital of the Issuer is €10,000, fully paid. The current quotaholder of the Issuer is as follows:

Quotaholder	*Quota*
Stichting SFM Italy No. 1	€10,000 (100 per cent. of the quota capital)

The Issuer has not declared or paid any dividends or, save as otherwise described in this Offering Circular, incurred any indebtedness.

Issuer's Principal Activities

The sole corporate object of the Issuer as set out in article 2 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

Condition 4 (*Issuer Covenants*) provides that, so long as any of the Notes remain outstanding, the Issuer will not, without the prior consent of the Representative of the Noteholders and as provided in the Conditions, incur any other indebtedness for borrowed moneys (except in relation to any other securitisation carried out in accordance with the Issuer Transaction Documents), engage in any activities (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the Issuer Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any quota capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions or the Intercreditor Agreement) or increase its capital.

The Issuer will covenant in the Intercreditor Agreement to observe, inter alia, the restrictions detailed in Condition 4 (*Issuer Covenants*).

Directors

The current director of the Issuer is:

Sole Director	Francesca Romana Amato. The domicile of Francesca Romana Amato, in her capacity as the sole Director of the Issuer, is at the Issuer's registered office, Italy.

The Quotaholder Agreement

Pursuant to the term of a quotaholder's agreement entered into on or about the Closing Date between the Issuer, the Representative of the Noteholders, the Originator and the Quotaholder, the Quotaholder has agreed, *inter alia*, not to amend the by-laws (*statuto*) of the Issuer and not to pledge, charge or dispose of the quota (save as set out in the Quotaholder Agreement) of the Issuer without the prior written consent of the Representative of the Noteholders. The Quotaholder Agreement is governed by, and will be construed in accordance with, Italian law.

Accounts of the Issuer and Accounting Treatment of the Loan Portfolio

Pursuant to Bank of Italy regulations, the accounting information relating to the Securitisation of the Loan Portfolio will be contained in the explanatory notes to the Issuer's accounts (*Nota Integrativa*). The explanatory

notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liabilities companies (*società a responsabilità limitata*).

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the exception of the first fiscal year which started on 23 October 2014 and will end on 31 December 2015.

Capitalisation and Indebtedness Statement

The capitalisation of the Issuer as at the date of this Offering Circular, adjusted for the issue of the Notes, is as follows:

Quota Capital	
	Euro
Issued, authorised and fully paid up capital	€10,000

Loan Capital	
	Euro
€206,000,000 Class A Commercial Mortgage Backed Notes due 2027	€206,000,000
Class X Commercial Mortgage Backed Notes due 2027	€0
€23,000,000 Class B Commercial Mortgage Backed Notes due 2027	€23,000,000
€34,250,000 Class C Commercial Mortgage Backed Notes due 2027	€34,250,000
€23,175,000 Class D Commercial Mortgage Backed Notes due 2027	€23,175,000
Total Loan Capital (Euro)	286,425,000

Subject to the above, as at the date of this Offering Circular, the Issuer has no borrowings or indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Financial Statements

The auditors of the Issuer will be appointed following the Closing Date.

Since the date of incorporation the Issuer has not commenced operations and no financial statements have been made up as at the date of the Offering Circular.

DESCRIPTION OF THE HEDGE COUNTERPARTIES

The Globe Hedge Counterparty

Commonwealth Bank of Australia is the counterparty on the Hedging Arrangements for the Globe Loan (the "**Globe Hedge Counterparty**").

Commonwealth Bank of Australia ("**CBA**") ABN 48 123 123 124 is a public company incorporated in the Commonwealth of Australia and it operates under Australian legislation including the Corporations Act 2001 of Australia. Its registered office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, New South Wales, Australia, 2000. CBA is one of Australia's leading providers of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, and investment and share broking products and services. CBA is one of the largest companies listed on the Australian Stock Exchange and is an authorised deposit-taking institution regulated by Australian Prudential Regulation Authority and other regulatory bodies.

For a further description of the Hedging Arrangements for the Globe Loan see "*The Loan Portfolio and the Properties—The Globe Loan Summary—Hedging Arrangements*" above.

The Calvino and Fashion District Hedge Counterparty

Merrill Lynch International is the counterparty on the Hedging Arrangements for the Calvino Loan (the "**Calvino Hedge Counterparty**") and for the Fashion District Loan (the "**Fashion District Hedge Counterparty**").

Merrill Lynch International is a wholly-owned subsidiary of Merrill Lynch UK Capital Holdings and the ultimate parent of Merrill Lynch International is Bank of America Corporation.

Merrill Lynch International has its head office in the United Kingdom with branches in Milan, Rome, Amsterdam, Stockholm and Dubai. Merrill Lynch International is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

For a further description of the Hedging Arrangements for the Fashion District Loan, see "*The Loan Portfolio and the Properties—The Fashion District Loan Summary—Hedging Arrangements*" above.

DESCRIPTION OF THE LIQUIDITY FACILITY PROVIDER

Bank of America, N.A. (the "**Bank**") is a national banking association organised under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. The Bank is a wholly-owned indirect subsidiary of Bank of America Corporation and is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. The Bank has acted through its Milan Branch, with registered address in Via Manzoni 5, Milan, Italy.

As of the date of this Offering Circular, the Bank's long-term senior debt has been assigned a rating of "A" by S&P, "A2" by Moody's and "A" by Fitch, and the Bank's short-term senior debt has been assigned a rating of "A-1" by S&P, "P-1" by Moody's and "F1" by Fitch.

The information in the preceding paragraph has been provided by Bank of America, N.A. Except for the foregoing paragraph, Bank of America, N.A. has not been involved in the preparation of, and does not accept responsibility for, this Offering Circular.

DESCRIPTION OF THE DELEGATE PRIMARY SERVICER AND THE DELEGATE SPECIAL SERVICER

Mount Street Mortgage Servicing Limited, a limited liability company incorporated in England (registered number 3411668) whose registered office is 26 Red Lion Square, London WC1R 4AG, United Kingdom, will act as Delegate Primary Servicer and Delegate Special Servicer in respect of the Loan Portfolio.

Mount Street Mortgage Servicing Limited is an independent company specialising in loan servicing, due diligence, facility agent roles, security trustee roles and underwriting, with offices in London and Frankfurt.

The Mount Street Mortgage Servicing Limited team have an established track record as a servicer and special servicer, having managed commercial mortgage backed securitisations across multiple lending platforms since 1997.

Mount Street Mortgage Servicing Limited and its affiliates are responsible for more than £10 billion of commercial real estate debt (both CMBS and balance sheet positions) for lenders throughout Europe and they currently act as primary and/or special servicer on 10 CMBS transactions.

As at the date of this Offering Circular, Mount Street Mortgage Servicing Limited was rated AVERAGE by S&P.

THE ORIGINATION PROCESS

Origination of the Loans

The Originator has internal policies and procedures in relation to the granting of credit, administration of credit risk-bearing portfolios and risk mitigation. The policies and procedures of the Originator in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and refinancing credits;

(b) systems in place to administer and monitor the various credit risk-bearing portfolios and exposures; and

(c) policies and procedures in relation to risk mitigation techniques.

Due Diligence Process

Prior to the origination of the Loans, the Originator undertook certain due diligence procedures, in order to evaluate the ability of each Borrower to service their respective loan obligations and the quality of the Properties securing the Loans. The procedures undertaken included analyses of the contractual cash-flows, tenant covenant quality, lease terms, building quality, and management of the properties provided or procured by the Borrowers.

As part of this process, the Originator evaluated the Properties by:

(a) instructing its solicitors to review a summary (prepared by the Borrower's solicitors) of the material information in the due diligence report delivered in connection with the financing of the Loan (the "**Legal Due Diligence**");

(b) reviewing an environmental report prepared by an independent environmental assessor for the Properties;

(c) reviewing building survey reports prepared by appropriately qualified engineers for the Properties; and

(d) instructing a valuer, which is a member of RICs, to value the Properties,

(the matters referred to in paragraphs (b), (c) and (d), together, the "**Non-Legal Due Diligence**").

The Legal Due Diligence

In connection with the origination of each Loan, the Originator's solicitors reviewed a summary (prepared by the Borrower's solicitors) of the material information in the due diligence report delivered in connection with acquisition of the Properties by the Borrower, or of the share capital of the Borrowers, to be financed by the Loan.

Such review was limited to the extent required to carry out certain verification exercises and reviews, which, by way of summary only, included the following core matters:

(a) verification that the owner of each Property has good title to such Property to be charged, free from any encumbrances or other matters which would be considered to be of a material adverse nature;

(b) a review of the occupational lease reports, including brief details of the tenant, term, any break clause, the current rent and rent review provisions, with a particular focus on top leases by value of the Property or by commercial appeal of the relevant tenant (anchor tenants);

(c) a verification of the consistency between the actual sale surface and the authorised sale surface pursuant to the umbrella authorisations required for carrying out of the commercial activities in the Properties (if applicable); and

(d) a verification, from a legal standpoint, of highlighted town planning and building issues.

The Non-Legal Due Diligence

As part of the origination of each Loan, the Properties have been subject to environmental assessments. For a discussion of environmental issues identified on the Properties, see the section entitled "*Risk Factors—Considerations Relating to the Properties—Environmental Matters*". There can be no assurance that all environmental conditions and risks were identified.

Technical surveys of the Properties were conducted by chartered surveyors and appropriately qualified engineers in connection with the acquisition of the Properties by the Borrower, or of the share capital of the Borrowers, to be financed by the Loan. These reports include an executive summary of the findings in respect of each Property, including matters such as the structure and fabric, building services, legal and statutory matters, building and town planning issues, fire prevention and fitness for use issues, sustainability and energy efficiency or site, contaminated land and flooding (what is covered in each report varies depending on the specific findings).

USE OF PROCEEDS

The proceeds from the issue of the Notes (other than the Class X Detachable Coupon), being €286,425,000, will be applied by the issuer to pay to the Originator the Initial Consideration for the Receivables in accordance with the Loan Portfolio Sale Agreement.

Fees and expenses relating to the issuance of the Notes and amounts necessary to credit to the Issuer Expenses Account the Issuer Expenses Account Retention Amount and to credit to the Liquidation Reserve Account the Liquidation Reserve Retention Amount, which are expected to be, in aggregate, in the region of €1,600,000, will be borne by the Lead Manager as issue premium for the Class X Detachable Coupon, and will not be deducted from the proceeds from the issue of the Notes. Accordingly, the net proceeds from the issue of the Notes will be approximately €286,425,000.

DESCRIPTION OF THE ISSUER TRANSACTION DOCUMENTS

The description of the Issuer Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the Issuer Transaction Documents. Prospective Noteholders may inspect copies of the Issuer Transaction Documents upon request at the specified office of the Representative of the Noteholders.

1. The Loan Portfolio Sale Agreement

The Originator and the Issuer entered into a Loan Portfolio sale agreement (the "**Loan Portfolio Sale Agreement**") dated 23 January 2015 pursuant to which the Originator has assigned and transferred to the Issuer, and the Issuer has purchased, as a pool and without recourse (*pro soluto*), all of the rights, title and interest in and to the Receivables.

The Receivables represent a group of claims identifiable as a pool pursuant to Articles 1 and 4 of the Securitisation Law and pursuant to Article 58 of the Banking Act and its implementing regulations (as provided by article 4 of the Securitisation Law). The Receivables comprised in the Loan Portfolio have been selected on the basis of the following Criteria:

(a) they all arise from Originator's loans granted to closed-end real estate speculative investment fund reserved to qualified investors or companies and, in particular:

  (i) with reference to the Globe Loan Agreement, the Globe Dima Borrower, the Globe Falcone Borrower and the Globe Palladio Immobiliare Borrower;

  (ii) with reference to the Calvino Loan Agreement, the Calvino Borrower;

  (iii) with reference to the Fashion District Loan Agreement the Fashion District Borrower.

(b) arise from loan agreements secured by mortgage over one or more real estate properties each of which having mostly a predominantly commercial purpose, entered into in the second semester of year 2014;

(c) arise from loans advanced by the sole Originator to finance, inter alia, the purchase of certain commercial properties and the relevant costs;

(d) arise from loans whose amount has been fully advanced by the Originator in favour of the relevant Borrowers;

(e) are denominated in euro.

Notice of the transfer was published in the Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda, number 12 of 31 January 2015 and was published in the companies register of Milan on 4 February 2015.

Purchase Price

As consideration for the transfer of the Receivables, the Issuer shall pay to the Originator an amount equal to the Initial Consideration and the Interest Consideration.

The Initial Consideration shall be paid by the Issuer to the Originator on the Closing Date. The Interest Consideration shall be paid by the Issuer to the Originator on the Loan Payment Date on which they are paid to the extent of the amounts actually received by the Issuer from the Borrowers under the Loan Agreements promptly upon receipt of such amounts.

In addition, the Issuer shall pay to the Originator deferred purchase price in the form of a purchase price adjustment amount, to be calculated in accordance with the Conditions, and which shall be equal to any amount available to the Issuer after all payments of items (i) to (xxi) of the Pre-Note Enforcement Notice Priority of Payments or items (i) to (xvii) of the Post-Note Enforcement Notice Priority of Payments (as applicable) have been made.

Representation and Warranties

As of the date of execution of the Loan Portfolio Sale Agreement the Originator has made, and as of the Closing Date will make, certain representations and warranties to the Issuer (subject, in certain cases, to certain provisos or disclosures). In particular, with reference to the Receivables, the Originator has made as of the date of execution of the Loan Portfolio Sale Agreement and will make as of the Closing Date, the following representation and warranties:

(a) the Receivables include a right to repayment of principal under the Loan Agreements in an aggregate amount not lower than the Initial Consideration;

(b) interest is charged on the principal outstanding under the Loan Agreements at such a rate as is determined in accordance with the provisions of the relevant Loan Agreement, and in compliance with all applicable laws, rules and regulations, including, without limitation, all laws, rules and regulations relating to usury, in force in the Republic of Italy at the time of the execution of the relevant Loan Agreement;

(c) each of the Loans has been advanced in full to the Borrowers;

(d) the Originator is not obliged, under the terms of any Loan Agreement, to make any further advances to any Borrower or other party;

(e) the Originator has, since the date of origination of each of the Loans, kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the relevant Loan made or received by it and which are complete and accurate in all material respects;

(f) each Property is situated in Italy;

(g) the Originator is not aware (from any information received by it in the course of administering the Loans without further enquiry) of any circumstances giving rise to a material reduction in the market value of the Properties since 30 September 2014, as for both the Globe Loan and the Fashion District Loan and June 2014, as for the Calvino Loan (other than market forces generally).

Subject to the status of the car park of the Calvino Property located in Treviso, the Originator is the absolute legal owner of the Receivables, and each Receivable is not subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party and is transferable to the Issuer subject only to the formalities set out in the relevant Loan Finance Documents. The Originator holds sole and unencumbered legal title to each of the Loans, the Receivables and has not assigned (whether absolutely or by way of security), participated, transferred, pledged, charged or created any security interest in or otherwise disposed of any of the Loans or the Receivables or otherwise created or allowed the creation or constitution of any lien, pledge, encumbrance, security interest, arrangement or other right, claim or beneficial interest of any third party on any of the Loans or the Receivables;

(h) the Originator is entitled, under the terms of each of the Loan Agreements and subject to the provisions for transfer as set out therein, to enter into the Loan Portfolio Sale Agreement, to execute and deliver the transfer certificate and to transfer the Loan Portfolio (and its interest in the Loan Transaction Security relating to the same), where applicable, to the Issuer absolutely;

(i) prior to the advancing of each Loan:

(i) the Originator commissioned a due diligence procedure which initially or after further investigation disclosed nothing which caused it to decline to proceed with the advance on its agreed terms; and

(ii) the Originator (having conducted the due diligence in accordance with its origination policies) was not aware of any matter or thing affecting the title of the Borrowers to any part of the Loan Transaction Security which caused it to decline to proceed with the advance or acquisition on its agreed terms;

(j) to the best of the Originator's knowledge (having made no investigation in respect thereof) no report on title given by a lawyer in connection with its origination of any Loan was negligently or fraudulently prepared;

(k) the Properties securing each of the Loans were valued by an independent valuer prior to the advance of the relevant Loan;

(l) to the best of the Originator's knowledge (having made no investigation in respect thereof), the Initial Valuation was not fraudulently undertaken by the relevant valuer and the Initial Valuation did not fail disclose any fact or circumstance which, if disclosed, would have caused the Originator to decline to proceed with its origination of the relevant Loan;

(m) prior to the date of origination of each of the Loans, to the best of the Originator's knowledge, the origination and advance of the relevant Loan and any relevant Loan Transaction Security and the circumstances of the relevant Borrower satisfied in all material respects the applicable parts of the Originator's underwriting and lending criteria; all regulatory requirements (including, without limitation, those relating to anti-money laundering and banking license) applicable to the Originator have been complied with, with respect to the Loan Finance Documents;

(n) the Originator has performed in all material aspects all of its obligations under or in connection with each of the Loans and so far as the Originator is aware none of the Loan Obligors has taken or threatened to take any action against the Originator, the Borrower Facility Agent or the Borrower Security Agent for any material failure on the part of the Originator, the Borrower Facility Agent or the Borrower Security Agent under or in respect of the relevant Loan to perform any such obligations;

(o) the Originator is not aware of any litigation or claim calling into question in any material way the Originator's title to any of the Loans or the related Borrower Security Agent's title to any material part of the Loan Transaction Security;

(p) as at the LPSA Closing Date, the Originator has not received written notice of any material default, or forfeiture of any occupational lease granted in respect of any Property or of the insolvency of any tenant of any Property which would, in any case, render the relevant Property unacceptable as security for the relevant Loan secured by the Loan Transaction Security over that Property in the context of the applicable lending criteria;

(q) prior to making the initial advance under each of the Loans, (i) no express recommendation was received by the Originator from the valuer in connection with its work on the relevant Initial Valuation to carry out any further or additional environmental audit, survey or report of the relevant Properties which was not pursued, unless otherwise determined by the Originator to not be necessary to perform prior to such origination or acquisition, and (ii) if any such environmental audit, survey or report was performed prior to such origination or acquisition, the results of any such environmental audit, survey or report which was procured by the Originator were made available to the valuer in respect of the relevant Initial Valuation;

(r) the sale of each of the Loans will occur in the ordinary course of the business of the Originator.

(s) the particulars of the documentation evidencing the Loan Agreements and the Loan Transaction Security are in all material respects complete, true and accurate; and, in respect of each Loan Agreement, the benefit of any Loan Transaction Security attached, whether by operation of law or on the basis of an agreement or otherwise, to the Receivables is set out in the relevant Loan Finance Documents;

(t) no Loan Agreement has been as at the date hereof terminated. The Originator has not (whether in whole or in part) consented to cancel or reduce any of the Loans, nor to release the first ranking mortgages, as applicable. The Originator has not (whether in whole or in part) released the Properties from the respective first ranking mortgages;

(u) in respect of each Loan Agreement, there is a provision requiring the Borrowers to make all payments without any deduction for or on account of taxes, except if required to do so by law. If any tax must be deducted from amounts paid or payable under any relevant Loan Agreement, then

the relevant Borrowers are obliged to make such deductions in the minimum amount and within the periods required by law;

(v) each Property constitutes an investment property let predominantly for commercial use.

(w) it has received title reports confirming that each Borrower has a good and valid title to its respective Property free and clear from any material title defects except as disclosed in any such reports;

(x) as at the LPSA Closing Date, the Originator has not received written notice of any material default, or forfeiture of any occupational lease granted in respect of any Property or of the insolvency of any tenant of any Property which would, in any case, render the relevant Property unacceptable as security for the relevant Loan secured by the Loan Transaction Security over that Property;

(y) prior to originating the Loans, the Originator carried out such material investigations and received reports on title, technical and other reports, which are capable of being relied upon by the Originator as a reasonably prudent lender of money secured on commercial real property in Italy would require;

(z) in respect of each Borrower, the Originator received an opinion from lawyers confirming that each was a properly constituted company or other legal entity in accordance with the terms of the relevant jurisdiction and had all necessary powers to enter into and comply with terms of the relevant Loan Agreement;

(aa) it has received a letter from the insurance broker of the Borrower confirming that each Property is covered by an Insurance Policy maintained by the relevant Borrower in compliance with the requirements under the relevant Loan Agreement. The Originator has not received any notice that any Insurance Policy relating to any relevant Property is about to lapse on account of failure to pay the insurance premium thereunder;

(bb) since the date of each Loan Agreement, the Originator has kept or caused to be kept full and proper accounts, books and records showing all transactions, payments, receipts, proceedings and notices relating to the relevant Loans and Loan Transaction Security which are complete and accurate in all material respects and all such accounts, books and records are up to date and are held by, or to the order of, the Originator;

(cc) the Originator has performed, in all material respects, its obligations under or in connection with each Loan Agreement and, so far as the Originator is aware, no Borrowers have taken or have threatened to take any action against the Originator for material failure on the part of the Originator to perform any such obligations;

(dd) the Globe Loan Agreement and the Calvino Loan Agreement are governed by Italian law, the Fashion District Loan Agreement is governed by English law and the Loan Security Documents in place as at the date hereof are governed as follows:

(i) in respect of the Loan Security Documents concerning the Globe Loan:

(A) Italian Law-governed Loan Transaction Security:

- first ranking mortgage in relation to the Globe Properties;
- assignment by way of security of the rights arising from the lease agreements relating to a Globe Property;
- assignment by way of security of receivables of other receivables relating to the Globe Properties;
- first ranking pledge over the Globe General Accounts;
- first ranking pledge over the quotas of each Globe Borrower;
- loss payee clause over the insurances relating to the Globe Property;

(B) Luxembourg Law-governed Loan Transaction Security:

- first ranking pledge in respect of the receivables arising from, inter alia, any shareholder and/or intercompany loan;
- first ranking pledge over the Globe LuxCo General Account, the Globe Company General Account and the Globe Debt Service Account;
- first ranking share pledge in respect of the shares in the Globe Company;
- first ranking share pledge in respect of the shares in the Globe LuxCo 18;
- first ranking share pledge in respect of the shares in the Globe LuxCo 20;
- first ranking share pledge in respect of the shares in the Globe LuxCo 9;

(C) English Law-governed Loan Transaction Security

- assignment by way of security of receivables in relation to the rights arising from the Globe Hedging Agreements;
- security agreement entered into between the Globe Dima Borrower and the Globe Security Agent;
- security agreement entered into between the Globe Falcone Borrower and the Globe Security Agent;
- security agreement entered into between the Globe Palladio Immobiliare Borrower and the Globe Security Agent;

(ii) in respect of the Loan Security Documents concerning the Calvino Loan:

(A) Italian Law-governed Loan Transaction Security:

- first ranking mortgage in relation to the Calvino Properties;
- assignment by way of security of receivables of the rights arising from the lease agreements relating to the Calvino Properties;
- assignment by way of security of receivables in relation to the rights arising from the preliminary sale agreements and the definitive sale agreements and insurances relating to the Calvino Property;
- first ranking account pledge over the Calvino Borrower's accounts;
- loss payee clause over the insurances relating to the Calvino Property;

(B) English Law-governed Loan Transaction Security

- assignment by way of security of receivables in relation to the rights arising from the Calvino Hedging Agreements;

(iii) in respect of the Loan Security Documents concerning the Fashion District Loan:

(A) Italian Law-governed Loan Transaction Security:

- first ranking account pledge in respect of each Fashion District Control Account located in Italy;

- assignment of rights under the acquisition agreement;
- first ranking mortgage in relation to each Fashion District Property;
- assignment by way of security of receivables in respect of the Fashion District Master Lease;
- first ranking pledge over the quotas of each Fashion District Target;
- assignment of rights under each occupational lease;
- assignment of rights under the trademark licence agreement;
- first ranking account pledge in respect of the Fashion District Existing Accounts;
- assignment of rights under the escrow agreement.

(B) Luxembourg Law-governed Loan Transaction Security:

- first ranking account pledge in respect of each Fashion District Control Account located in Luxembourg;
- first ranking share pledge in respect of the shares in the Fashion District Holdco;
- first ranking receivables pledge in respect of any subordinated loans to the Fashion District Holdco;
- first ranking account pledge in respect of each Fashion District Control Account located in Luxembourg;
- the Fashion District REIF unit pledge agreement; and
- first ranking receivables pledge in respect of any subordinated loans to the Fashion District Borrower.

(C) English Law-governed Loan Transaction Security

- first ranking assignment of rights under the Fashion District Hedging Agreements and insurance policies;

(ee) each first ranking mortgage, which has been created concurrently with the granting of the relevant Loan is a first ranking priority mortgage (*ipoteca di primo grado*);

(ff) the Originator has received notarial reports confirming that all first ranking mortgages granted over the Properties have been duly registered with the respective land registry (*Conservatoria del Registro Immobiliare*);

(gg) all the Receivables meet the Criteria.

Neither the Issuer nor the Representative of the Noteholders has made any enquiries, searches or investigations of or in respect of the Borrowers, any other Loan Obligor, the Loan Portfolio, the Loan Transaction Security as it pertains to the Loan Portfolio, the sums receivable under or in respect of the Loan Portfolio or the Loan Transaction Security, the terms and conditions of the Loans or the Loan Transaction Security, the creditworthiness of the Borrowers or the other Loan Obligors in respect of the value, title or condition of any of the Properties or as to compliance with or the validity or enforceability of any of the Loan Transaction Security.

The Issuer will rely solely upon the representations and warranties given by the Originator under the Loan Portfolio Sale Agreement.

Subject to the agreed exceptions, materiality qualifications and, where relevant, the general principles of law limiting the same, the representations and warranties to be given by the Originator under the Loan Portfolio Sale Agreement will, with respect to each Loan, include the Loan Warranties.

Undertakings

The Loan Portfolio Sale Agreement contains a number of undertakings by the Originator in respect of its activities in relation to the Receivables. The Originator has undertaken, inter alia, to refrain from carrying out activities with respect to the Receivables which might cause the unenforceability of any of the Receivables and to refrain from any action which would cause any of the Receivables to become invalid or to cause a reduction in the amount of any of the Receivables and not to commence or promote any enforcement or trial proceedings in relation to the Receivables.

Remedy for Material Breach and Relevant Indemnity and/or Re-purchase of the Loan Portfolio and for Re-purchase of a Relevant Loan

In the event of a Material Breach of Loan Warranty, the Originator will be required, within 60 days (or such longer period not exceeding 90 days as the Issuer or the Representative of the Noteholders may agree) of receipt of written notice of the relevant Material Breach of Loan Warranty from the Issuer or the Representative of the Noteholders, to remedy the matter giving rise to such breach of representation or warranty, if such matter is capable of remedy.

If a Material Breach of Loan Warranty is not capable of remedy or is not remedied within the specified period, the Originator will be required to:

(a) advance to the Issuer, upon its first demand a Limited Recourse Loan on the Calculation Date immediately following such demand (**provided that** if such demand is served by the Issuer during a period within 30 days prior to a Calculation Date such Limited Recourse Loan may, at the discretion of the Originator, be advanced on the next following Calculation Date) in an amount equal to the sum of the Relevant Loan Value, repayable by the Issuer to the Originator only if and to the extent that any amounts under the Relevant Loan are collected or recovered by (or on behalf of) the Issuer; or

(b) may, as an alternative, repurchase the Relevant Loan on the Calculation Date immediately following such demand (**provided that** if such demand is served by the Issuer during a period within 30 days prior to a Note Payment Date such repurchase may, at the discretion of the Originator, only occur on the next following Note Payment Date) for an aggregate amount equal to the Relevant Loan Value to be paid on such repurchase date.

If:

(a) a Loan Warranty relates to facts or circumstances which relate to the same subject matter as a warranty given under the Loan Agreement which is deemed repeated on the Closing Date;

(b) a Material Breach of Loan Warranty would arise as a result of those facts or circumstances;

and

(c) the relevant circumstances do not constitute a Loan Event of Default by reason of a qualification of awareness of any Loan Obligor or other person,

the existence of those facts and circumstances shall not be deemed to constitute as Material Breach of Loan Warranty.

Governing Law

The Loan Portfolio Sale Agreement and any non–contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, Italian law.

2. The Servicing Arrangements

Pursuant to the Master Servicing Agreement, the Issuer will appoint Zenith Service S.p.A. as the Master Servicer to act as its agent and provide certain services in relation to the Loans and the Loan Transaction Security. Pursuant to the Delegate Servicing Agreement, the Master Servicer will appoint Mount Street Mortgage Servicing Limited as the Delegate Primary Servicer and Delegate Special Servicer and will delegate to them the performance of the Primary Services and the Special Services.

Please see the section entitled "*Servicing Arrangements for the Loans*" for a more detailed description of the servicing arrangements.

3. The Cash Allocation, Management and Payments Agreement

On or about the Closing Date, the Issuer, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Issuer Account Bank and the Paying Agent will enter into a cash allocation, management and payments agreement (the "**Cash Allocation, Management and Payments Agreement**").

Under the terms of the Cash Allocation, Management and Payments Agreement:

(a) the Issuer Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Issuer Collection Account, the Issuer Payments Account, the Issuer Expenses Account, the Liquidation Reserve Account and such other accounts as may be required including, if required, an Issuer Stand-by Account and in which the Issuer may at any time acquire any right, title, interest or benefit or otherwise place and hold its cash or securities (the "**Issuer Accounts**");

(b) the Issuer Account Bank will provide the Issuer with certain reporting services together with account handling and payment services in relation to monies from time to time standing to the credit of the Issuer Payments Account;

(c) the Calculation Agent has agreed, *inter alia*, to provide the Issuer with the Calculation Agent Quarterly Report (which will have been approved by the Master Servicer); and

(d) the Paying Agent has agreed to provide the Issuer with certain payment services together with certain calculation services in relation to the Notes.

Issuer Accounts

The Issuer Accounts held with the Issuer Account Bank will be opened in the name of the Issuer and will be operated by the Issuer Account Bank and the amounts standing to the credit thereof will be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Issuer Account Bank has agreed to comply with any direction of the Issuer (prior to the delivery of a Note Enforcement Notice) or the Representative of the Noteholders (following the delivery of a Note Enforcement Notice) to effect payments from the Issuer Accounts if such direction is made in accordance with the Cash Allocation, Management and Payments Agreement and the mandate governing the applicable account.

Operation of Issuer Accounts

The Calculation Agent will undertake with the Issuer and the Representative of the Noteholders that in performing the services to be performed by it and in exercising its discretions under the Cash Allocation, Management and Payments Agreement, the Calculation Agent will perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the transaction and that it will comply with any directions, orders and instructions which the Issuer or the Representative of the Noteholders may from time to time give to the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

Calculation of Amounts and Payments

On each Calculation Date, the Calculation Agent is required to determine all amounts due in accordance with the applicable Priority of Payments (other than amounts of interest payable on the Notes, to be

determined by the Paying Agent) on the forthcoming Note Payment Date and the amounts available to make such payments. In addition, the Calculation Agent will calculate the Principal Amount Outstanding and the Note Factor for each Class of Notes for the Note Interest Period commencing on the next following Note Payment Date and the amount of each principal payment (if any) due on each Class of Notes on the next following Note Payment Date, in each case pursuant to Condition 1(g) (*Principal Amount Outstanding and Note Factor*).

The Calculation Agent will prepare the Calculation Agent Quarterly Report on the basis of which the Issuer will:

(a) make all Liquidity Drawings and/or Stand-by Drawings;

(b) from time to time, pay all payments and expenses required to be paid by the Issuer to third parties by way of Issuer Priority Payments or otherwise; and

(c) make all payments required to carry out an optional redemption of Notes in accordance with the Conditions.

If the Primary Servicer or the Delegate Primary Servicer, as the case may be, fails to deliver the Loan Level Report in accordance with the Master Servicing Agreement, the Calculation Agent in the relevant Calculation Agent Quarterly Report will consider, for the purpose of determining the Issuer Available Funds to be applied on the immediately following Note Payment Date, all the amounts resulting from the latest statements of account delivered to it by the Issuer Account Bank and, solely for the purpose of the immediately following Note Payment Date and to the extent no Note Enforcement Notice has been served on the Issuer and no Insolvency Event in respect of the Issuer has occurred, only amounts payable from items (i) to (xiv) (included) of the Pre-Note Enforcement Notice Priority of Payments (if applicable) shall be deemed due and payable by the Issuer on such Note Payment Date, it being understood that the Calculation Agent shall not be liable for any liability or damage incurred by any party in so doing.

Reporting

The Calculation Agent will on each Calculation Date prepare and distribute to, *inter alios*, the Issuer, the Originator, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Corporate Servicer, the Paying Agent, the Issuer Account Bank, the Representative of the Noteholders and the Rating Agencies a report in respect of the current Note Interest Period in which it will notify the recipients of, among other things, all amounts received in the Issuer Accounts, all payments to be made and any other apportionments to be made with respect thereto on the immediately following Note Payment Date including but not limited to:

(a) any Administrative Fees;

(b) any Class X Interest Amount;

(c) any Note Premium Amount;

(d) any amount of interest and principal to be paid under the Notes;

(e) any Deferred Interest;

(f) the Class D Interest Amount and the Class D Interest Available Funds Cap, if applicable;

(g) any Subordinated Class X Amount;

(h) any Liquidity Drawings; and

(i) any amount due to the Liquidity Facility Provider,

(the "**Calculation Agent Quarterly Report**").

In the event that after a Calculation Date it transpires that: (i) due to a delay in payment by any of the Borrowers, the Issuer Available Funds determined on such Calculation Date will not be available in whole or in part on the immediately following Note Payment Date; and (ii) a Temporary Drawing will not be available on such Note Payment Date, the Calculation Agent shall, promptly, and in any case no later than

the close of business of the Business Day immediately preceding such Note Payment Date, prepare an updated Calculation Agent Quarterly Report (which shall replace the previous Calculation Agent Quarterly Report, with respect to the allocation of the funds effectively available on such Note Payment Date.

In addition, on each Note Payment Date and Investor Report Date, the Calculation Agent will prepare and deliver further reporting regarding the payments made by the Issuer during the immediately preceding Note Interest Period and containing information on the Loans.

Fees

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will pay to the Agents on each Note Payment Date a fee as agreed between the Issuer and the relevant Agent or Issuer Account Bank (as applicable) and will reimburse the Agents and Issuer Account Bank for all reasonable out-of-pocket costs, expenses and charges properly incurred by the relevant party in the performance of its duties in accordance with the terms of the Cash Allocation, Management and Payments Agreement.

Termination of Appointment

The Issuer may (with the prior written approval of the Representative of the Noteholders and with notice to the Rating Agencies) terminate at will the appointment of any of the Calculation Agent, Paying Agent and Issuer Account Bank (each, an "**Agent**") by giving not less than 60 Business Days' written notice. The appointment of each Agent may also be terminated forthwith in accordance with article 1456 of the Civil Code if (i) any of the Issuer Account Bank or the Paying Agent fails to make any payments it must make under the Cash Allocation, Management and Payments Agreement; (ii) any of the Agents fails to comply with any of their respective obligations under specified provisions of the Cash Allocation, Management and Payments Agreement; and (iii) any of the representations and warranties given by any Agent under the Cash Allocation, Management and Payments Agreement proves inaccurate in any material respect and, in the opinion of the Representative of the Noteholders, such inaccuracy is materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding, in each case subject to the grace periods specified in the agreement. Other termination events include the relevant Agent being rendered unable to perform its obligations for a period of 30 days by circumstances beyond its control (to the extent such event is not a termination event under any other provision). Each Agent may resign from its appointment, upon giving not less than 90 days prior written notice of resignation to the Issuer and the Representative of the Noteholders. Such resignation will not take effect until a substitute Agent has been appointed by the Issuer, with the prior written approval of the Representative of the Noteholders, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement.

Agent's Required Rating

The Cash Allocation, Management and Payments Agreement also requires that the Issuer Account Bank and the Paying Agent is an Eligible Institution.

"**Eligible Institution**" means any depository institution, organised under the laws of any state which is a member of the European Union, whose long-term (or short-term, as set out below) unsecured, unsubordinated and unguaranteed debt obligations are rated at least:

(a) "A-" by Fitch and "A" by DBRS (long-term), and "F2" by Fitch (short term), provided that, if no DBRS rating has been given, the DBRS Minimum Equivalent Rating shall apply, with reference to the rating(s) of the relevant institution given by rating agencies who also rate the Notes, at the relevant time, upon the Issuer's solicitation to assign a rating to the Notes; or

(b) with regard to Fitch such lower debt rating as is commensurate with the rating assigned to the Notes from time to time as set out in more detail in the table below relating to Fitch

Then Current Rating of the Most Senior Class of Notes Outstanding	***Minimum Liquidity Facility Provider Ratings (Fitch)***
"A+"sf and higher	"A-" with a short-term rating of "F2"
"A"sf	"BBB+" with a short-term rating of "F2"
"BBB"sf	"BBB-" with a short-term rating of "F3"
"BB"sf	At least as high as the rating of the then Most

Then Current Rating of the Most Senior Class of Notes Outstanding	*Minimum Liquidity Facility Provider Ratings (Fitch)*
	Senior Class of Notes
"B"sf and below	At least as high as the Most Senior Class of Notes' rating; and

(c) with regard to DBRS such lower debt rating as is commensurate with the rating assigned to the Notes from time to time as set out in more detail in the table below relating to DBRS

Then Current Rating of the Most Senior Class of Notes Outstanding	*Minimum Liquidity Facility Provider Ratings (DBRS)*
"AA(low)"sf and higher	"A"
"A(high)"sf	"BBB (high)"
"A"sf	"BBB"
"A(low)"sf and below	"BBB (low)".

If any Agent other than the Calculation Agent ceases to be an Eligible Institution, the relevant Agent will give written notice of such event to the Issuer, the Master Servicer, the Calculation Agent and the Representative of the Noteholder. The relevant Agent will, within 30 days of ceasing to be an Eligible Institution, procure the transfer of any account held by the Issuer with the relevant Agent to another bank that is an Eligible Institution after having obtained the prior written consent of the Issuer and the Representative of the Noteholders and subject to the latter establishing substantially similar arrangements to those obligations of the relevant Agent contained in the Cash Allocation, Management and Payments Agreement.

The Cash Allocation, Management and Payments Agreement and any non–contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, Italian law.

4. The Intercreditor Agreement

On or about the Closing Date, the Issuer and the Other Issuer Secured Creditors will enter into an intercreditor agreement (the "**Intercreditor Agreement**"). Under the Intercreditor Agreement, provision is made for the Issuer to covenant to the Noteholders and the Other Issuer Secured Creditors (together, the "**Issuer Secured Creditors**") in the terms set out in the Conditions and in relation to the Issuer Accounts and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Loans. In the Intercreditor Agreement, the Issuer Secured Creditors will agree, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds and that the obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Secured Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Secured Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case, subject to, and as provided in, the Intercreditor Agreement and the other Issuer Transaction Documents.

Following the service of a Note Enforcement Notice, the Issuer will undertake to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of any Loan. The Issuer will grant a mandate to the Representative of the Noteholders under which, subject to a Note Enforcement Notice being served upon the Issuer, the Representative of the Noteholders, acting in such capacity, will be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Issuer Transaction Documents to which the Issuer is a party.

The Intercreditor Agreement and any non–contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, Italian law.

5. The Pledge Agreement

On or about the Closing Date, the Issuer and the Representative of the Noteholders will enter into a pledge agreement (the "**Pledge Agreement**") under which the Issuer will grant a pledge in favour of the Representative of the Noteholders (acting for itself and as agent (*mandatario con rappresentanza*) for and on behalf of the Noteholders and the Other Issuer Secured Creditors) pursuant to the Rules and the

Intercreditor Agreement, for the creation and management of a pledge on all the existing and future monetary rights (including the claims, indemnities, compensation for damages, penalties, credit rights and guarantees, but excluding the Receivables) to which the Issuer is, or will be, entitled to (under the terms of certain Issuer Transaction Documents (governed by Italian law)) entered into by the Issuer in the context of the Securitisation and under which the Issuer may have monetary rights and claims, as security for all the Secured Obligations.

The security created pursuant to the Pledge Agreement will become enforceable upon the service of a Note Enforcement Notice.

The Pledge Agreement and any non–contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, Italian law.

6. The Liquidity Facility Agreement

On or prior to the Closing Date, the Issuer will enter into a liquidity facility agreement with the Liquidity Facility Provider, the Calculation Agent, the Representative of the Noteholders and the Delegate Primary Servicer and the Delegate Special Servicer (the "**Liquidity Facility Agreement**"), under which the Liquidity Facility Provider (being Bank of America N.A, Milan Branch) will provide to the Issuer a renewable 364-day committed revolving loan facility (the "**Liquidity Facility**") expiring on the Liquidity Facility Term Date.

The Liquidity Facility will be available subject to certain conditions to enable the Issuer (or the Calculation Agent on its behalf) to make Liquidity Drawings and (if a Liquidity Facility Relevant Event occurs and subject to certain additional conditions) a Stand-by Drawing.

"**Liquidity Commitment Period**" means a period of 364 days from the date of execution of the Liquidity Facility Agreement or, in case of renewal of the Liquidity Facility Agreement, a period of 364 days from the date of such renewal or, if such date is not a Business Day, the preceding Business Day.

"**Liquidity Facility Relevant Event**" means (i) if the Liquidity Facility Provider no longer has the Liquidity Facility Required Ratings; or (ii) a Liquidity Facility Renewal Refusal occurs.

"**Liquidity Facility Renewal Refusal**" means (i) the Liquidity Facility Provider giving a notice to the Calculation Agent (copied to the Issuer and the Representative of the Noteholders and the Rating Agencies) that it does not intend to renew its commitment; or (ii) if no irrevocable notice from the Liquidity Facility Provider that it agrees to renew its commitment is received.

Please see the section entitled "*The Liquidity Facility Agreement*" below for a more detailed description of the Liquidity Facility Agreement.

7. The English Security Agreement

On or prior to the Closing Date, the Issuer will enter into an English law-governed security agreement with the Representative of the Noteholders (the "**English Security Agreement**"), under which the Issuer will agree to assign by way of security to the Representative of the Noteholders.

Under the terms of the English Security Agreement, the Issuer will assign absolutely, subject to a proviso for re-assignment on redemption, by way of security for the payment and discharge of the Secured Obligations to the Representative of the Noteholders, all claims which the Issuer is or may become entitled to:

(a) in respect of the Liquidity Facility Agreement; and

(b) in respect of all other contracts, agreements, deeds or instruments governed by or otherwise subject to English law to which the Issuer may after the Closing Date become party or under which it may receive benefit in connection with the Securitisation.

In addition, the Issuer has charged all claims in and all sums of money or securities which are from time to time and at any time standing to the credit of the Issuer Accounts and any other bank, securities or other account opened and maintained in England and Wales and in which the Issuer may at any time acquire any claim or otherwise place and hold its cash or securities, resources, in each case in the context of the

Securitisation, and in the funds or securities from time to time standing to the credit of such accounts and in the debts represented thereby. Furthermore, the Issuer will charge all claims in and to all Eligible Investments made by or on behalf of the Issuer using monies standing to the credit of the Issuer Stand-by Account which can be subject to English law security.

8. The Corporate Services Agreement

Under a corporate services agreement to be entered into on or about the Closing Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders (the "**Corporate Services Agreement**"), the Corporate Servicer has agreed to provide certain corporate administration, accounting, administrative and management services to the Issuer in relation to the Securitisation.

The Corporate Services Agreement and any non–contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, Italian law.

9. The Quotaholder Agreement

On or about the Closing Date, the Issuer, the Quotaholder, the Originator and the Representative of the Noteholders will enter into a quotaholder agreement (the "**Quotaholder Agreement**"), whereby the Quotaholder has, *inter alia*, assumed certain undertakings in relation to the management of the Issuer and the exercise of its rights as quotaholder for the benefit of the Issuer Secured Creditors. The Issuer will acknowledge and benefit from the undertakings of the Quotaholder with respect to the regulation of its rights and obligations *vis-à-vis* the Issuer.

The Quotaholder Agreement and any non–contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, Italian law.

10. Master Definitions and Construction Schedule

Pursuant to the "**Master Definitions and Construction Schedule**" (attached as a schedule to the Intercreditor Agreement), the definitions, principles of construction and the common terms used in the Issuer Transaction Documents will be agreed by the Other Issuer Secured Creditors as parties to the Issuer Transaction Documents.

11. Issuer Transaction Documents

The "**Issuer Transaction Documents**" means the Loan Portfolio Sale Agreement, the Master Servicing Agreement, the Delegate Servicing Agreement, the Cash Allocation, Management and Payments Agreement, the Subscription Agreement, the Conditions, the Corporate Services Agreement, the Intercreditor Agreement, the Pledge Agreement, the Quotaholder Agreement, the Liquidity Facility Agreement, the English Security Agreement and any other document designated as such and entered into by the Issuer in the context of the Securitisation.

THE LIQUIDITY FACILITY AGREEMENT

General

On or about the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider, the Calculation Agent, the Representative of the Noteholders and the Delegate Primary Servicer and the Delegate Special Servicer, under which the Liquidity Facility Provider will provide to the Issuer the Liquidity Facility expiring on the Liquidity Facility Term Date. If the Liquidity Facility Provider does not intend to renew its commitment, it will inform the Calculation Agent, the Issuer, the Representative of the Noteholders and the Rating Agencies, upon which the Issuer shall use its best endeavours to arrange for a replacement Liquidity Facility Provider. The Calculation Agent shall promptly notify the Representative of the Noteholders of any extension request made or agreed to or any extension refusal by the Liquidity Facility Provider.

"**Liquidity Facility Term Date**" means, subject to any renewal made under the Liquidity Facility Agreement, the date falling 364 days after the date of the Liquidity Facility Agreement and, thereafter, the date falling 364 days after the date of any such renewal or, if such date is not a Business Day, the preceding Business Day.

Such facility will be renewed on an annual basis, as required, by the Calculation Agent.

Commitment

As of the Closing Date, the maximum amount available to be drawn under the Liquidity Facility (the "**Liquidity Commitment**") will be €19,000,000 (the "**Original Liquidity Commitment**"). The Liquidity Commitment will decrease as the Principal Amount Outstanding of the Notes decreases. On each Note Payment Date on which no Liquidity Drawings are outstanding the Liquidity Commitment will be re-calculated as follows (with reference to the Principal Amount Outstanding of the Notes meaning the outstanding principal after any principal payment under the Notes has been made on such Note Payment Date):

Liquidity Commitment = LC Amount x (Principal Amount Outstanding of the Notes/Principal Amount Outstanding of the Notes on the Closing Date)

For the purposes of the above equation, the "**LC Amount**" means the Original Liquidity Commitment less the amounts of any cancellations effected.

In the event a lower Liquidity Commitment would be consistent with any updated criteria published by the Rating Agencies, then rating the Notes (and, if the ratings of any of the Notes have previously been downgraded suspended or withdrawn, consistent with the restoration of such rating), then the Liquidity Commitment will be, upon request by the Liquidity Facility Provider, reduced to such lower amount.

In addition, if a Valuation Reduction Amount is determined by either the Delegate Primary Servicer or the Delegate Special Servicer in relation to a Loan, the Liquidity Commitment will be immediately reduced by multiplying the Valuation Reduction Factor by the amount then available under the Liquidity Facility.

The "**Valuation Reduction Factor**" means an amount obtained by dividing (i) (x) the aggregate principal balance outstanding of the Loan Portfolio as of the date of the calculation of the relevant Valuation Reduction Amount, less (y) the Valuation Reduction Amount, by (ii) the aggregate principal balance outstanding of the Loan Portfolio as of the date of occurrence of the relevant Valuation Reduction Amounts.

In certain other circumstances, the Liquidity Commitment (or, if applicable, the Stand-by Drawing) may also be reduced by the Issuer, subject to the Issuer receiving a confirmation in writing from the Rating Agencies (such confirmation requested by either the Issuer or the Liquidity Facility Provider with a copy to the Representative of the Noteholders) that such reduction in the Liquidity Commitment will not result in the qualification, downgrade or withdrawal of the then-current ratings of the Notes (a "**Rating Agency Confirmation**") or if the ratings of any of the Notes have previously been downgraded suspended or withdrawn, that such cancellation will not prevent the restoration of such rating or, alternatively in the event no such Rating Agency Confirmation has been provided, the Representative of the Noteholders has confirmed in writing to the Issuer and the Liquidity Facility Provider that it is satisfied that the proposed amendment would not result in any of the above adverse effects on the rating of the Notes.

Drawings

Drawings in respect of the Liquidity Facility will be available only in euro.

Liquidity Drawings

The Liquidity Facility may be drawn to fund any Expenses Shortfall, any Interest Shortfall, any Property Protection Shortfall and any Temporary Shortfall.

An "**Expenses Shortfall**" will be equal to, on any Business Day, the amount determined by the Calculation Agent by which the aggregate amount owed to any Connected Third Party Creditor exceeds the aggregate of (i) amounts standing to the credit of the Issuer Expenses Account, and (ii) amounts standing to the credit of the Issuer Collection Account.

An "**Interest Shortfall**" will be equal to, on any Calculation Date, the amount determined by the Calculation Agent by which the Issuer Available Funds (excluding any amount payable in respect of (i) Principal Payment Amounts; and (ii) any Liquidity Drawing made on that day) are lower than the aggregate amount of payments of interest due on the Note Payment Date following such date in respect of interest payable on the Most Senior Class of Notes then outstanding and payments senior thereto in accordance with the Pre-Note Enforcement Notice Priority of Payments. For the avoidance of doubt the Liquidity Facility cannot be drawn to cover shortfalls in funds available to the Issuer to pay any amounts in respect of Note Premium Amounts or any payment on the Class X Detachable Coupon.

"**Property Protection Shortfall**" means, on any Business Day, (i) in respect of any urgent capital expenditure as set out in paragraph (b) of the definition of Issuer Priority Payments, that portion of such urgent capital expenditure that the Corporate Servicer determines cannot be funded from amounts standing to the credit of the Issuer Expenses Account and/or the Issuer Collection Account and (ii) in respect of a Property Protection Advance, an amount equal to the amount of such Property Protection Advance. (See the section entitled "*Servicing Arrangements for the Loans—Property Protection Advances*" for further details.)

A Property Protection Shortfall, an Expenses Shortfall and an Interest Shortfall are each referred to in this Offering Circular as, a "**Shortfall**".

The Calculation Agent (in the case of an Interest Drawing or a Temporary Drawing) or the Corporate Servicer (in the case of an Expense Drawing or Property Protection Drawing) shall, on behalf of the Issuer, make a drawing pursuant to the Liquidity Facility Agreement, as follows: if it has received notice from the Delegate Primary Servicer or the Delegate Special Servicer of a Property Protection Shortfall (a "**Property Protection Drawing**"), on any given Business Day falling no less than 2 Business Days after receipt of notice from the Delegate Primary Servicer and/or the Delegate Special Servicer of such shortfall; if it has determined that an Expenses Shortfall exists (an "**Expense Drawing**"), on any Business Day, promptly upon such determination; if has established that an Interest Shortfall exists (an "**Interest Drawing**"), on the Business Day preceding the relevant Note Payment Date. An Expense Drawing, an Interest Drawing, a Property Protection Drawing and a Temporary Drawing are each referred to as, a "**Liquidity Drawing**".

The Issuer will be required to use the proceeds of any Interest Drawing in making payments, among others, of interest to the holders of the Most Senior Class of Notes outstanding, in accordance with the Pre-Note Enforcement Notice Priority of Payments. The proceeds of an Interest Drawing are not permitted to be used to repay any amount of principal on any Class of Notes.

If the Calculation Agent determines that a Temporary Shortfall exists or will exist on a Note Payment Date, the Liquidity Facility Provider shall, by 2 p.m. (Italian time) on such Note Payment Date, make a drawing in an amount equal to such Temporary Shortfall, provided that it has received:

(a) a Liquidity Facility Utilisation Request from the Calculation Agent by 12 (noon) (London time) of the preceding Business Day;

(b) confirmation in writing from the Delegate Primary Servicer that sufficient funds were credited to the relevant Borrower's accounts to meet such payment;

(c) comfort to its satisfaction that sufficient payment mechanisms have been set up to ensure that (i) the funds are transferred from any Borrower's account to which they may be credited to the Borrower's

account out of which they will be paid to the Issuer and (ii) upon receipt by the Issuer of the payment which delay caused a Temporary Shortfall it will be applied to repay the Temporary Drawing; and

(d) satisfactory confirmation that no payment advice in relation to the Notes on such Note Payment Date has been processed.

"**Liquidity Facility Utilisation Request**" means a notice making a request by or on behalf of the Issuer to the Liquidity Facility Provider (with a copy to the Representative of the Noteholders) for a Liquidity Drawing or a Stand-by Drawing.

The Liquidity Facility Provider will have the right, subject to giving a 30 day notice in writing to the Issuer, the Representative of the Noteholders, the Calculation Agent, the Paying Agent and the Master Servicer, to amend any of the time and day whereby the Liquidity Facility Utilisation Request must be received and/or a drawing made in relation to a Temporary Shortfall.

Upon receiving from the Borrower(s) the payment which delay caused a Temporary Shortfall, the Issuer shall apply the relevant amounts, in whole or in part, to reduce or repay the outstanding balance of the Liquidity Drawing corresponding to such Temporary Shortfall, forthwith and in any case within two Business Days of receipt of such payment.

"**Temporary Shortfall**" means an amount equal to the portion of the Issuer Available Funds, related to a Note Payment Date, that has not been paid by one or more Borrowers on the Loan Payment Date concerning the Globe Loan or the Fashion District Loan immediately preceding such Note Payment Date, corresponding to all or part of the aggregate payments to be made on such Note Payment Date under items (i) through (vi) and under items (viii), (x) and (xii) of the Pre-Note Enforcement Notice Priority of Payment.

"**Temporary Drawing**" means a drawing made, in accordance with and subject to the conditions set out by the Liquidity Facility Agreement in relation to such drawing, to cover any Temporary Shortfall (as determined by the Calculation Agent on a Calculation Date) which will exist on a Note Payment Date. The Temporary Drawing can only be applied to make payments under the items of the Pre-Note Enforcement Notice Priority of Payment specified in the definition of Temporary Shortfall.

All payments due to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than in respect of any Liquidity Subordinated Amounts) will rank ahead of payments of interest and repayments of principal on the Notes. "**Liquidity Subordinated Amounts**" are any amounts in respect of increased costs and tax gross up amounts then payable to the Liquidity Facility Provider to the extent that such amounts exceed 2.00 per cent. per annum of the then commitment provided under the Liquidity Facility Agreement (whether drawn or undrawn).

Stand-by Drawings

The Liquidity Facility Agreement will provide that, at all times, the Liquidity Facility Provider will have the following ratings (the "**Liquidity Facility Required Ratings**"):

(a) a long-term rating of the Liquidity Facility Provider's unguaranteed, unsecured and unsubordinated debt obligations of at least "A-" by Fitch and at least "A" by DBRS, and a short-term rating of at least "F2" by Fitch provided that, if no DBRS rating has been given, the DBRS Minimum Equivalent Rating shall apply, with reference to the rating(s) of the Liquidity Facility Provider given by rating agencies who also rate the Notes, at the relevant time, upon the Issuer's solicitation to assign a rating to the Notes; or

(b) with regard to Fitch such lower debt rating as is commensurate with the rating assigned to the Notes from time to time as set out in more detail in the table below relating to Fitch:

Then Current Rating of the Most Senior Class of Notes Outstanding	Minimum Liquidity Facility Provider Ratings (Fitch)
"A+"sf and higher	"A-" with a short-term rating of "F2"
"A"sf	"BBB+" with a short-term rating of "F2"
"BBB"sf	"BBB-" with a short-term rating of "F3"

Then Current Rating of the Most Senior Class of Notes Outstanding	Minimum Liquidity Facility Provider Ratings (Fitch)
"BB"sf	At least as high as the rating of the then Most Senior Class of Notes
"B"*sf* and below	At least as high as the Most Senior Class of Notes' rating; or

(c) with regard to DBRS such lower debt rating as is commensurate with the rating assigned to the Notes from time to time as set out in more detail in the table below relating to DBRS:

Then Current Rating of the Most Senior Class of Notes Outstanding	Minimum Liquidity Facility Provider Ratings (DBRS)
"AA(low)"sf and higher	"A"
"A(high)"sf	"BBB (high)"
"A"sf	"BBB"
"A(low)"sf and below	"BBB (low)"

If:

(i) the Liquidity Facility Provider ceases to have the Liquidity Facility Required Ratings;

(ii) there has been a refusal by the Liquidity Facility Provider to agree to a renewal request or where the Liquidity Facility Provider has failed to respond to a renewal request within the applicable time periods,

and **provided that**:

(x) the Issuer has not entered into a satisfactory replacement liquidity facility; or

(y) in the case under paragraph (i) above only, the Liquidity Facility Provider's obligations have not been guaranteed by a qualifying bank with the Liquidity Facility Required Ratings,

then the Issuer or the Calculation Agent or the Corporate Servicer, as applicable, (on behalf of the Issuer) may, subject to the terms of the Liquidity Facility Agreement, require the Liquidity Facility Provider to pay into the Issuer Stand-by Account an amount (a "**Stand-by Drawing**") equal to its undrawn Liquidity Commitment under the Liquidity Facility Agreement (in the case under paragraph (i) above no later than 14 days following the date on which the event occurred and, in any case, by sending a Liquidity Facility Utilisation Request to the Liquidity Facility Provider no later than two Business Days prior to the end of the then current Liquidity Commitment Period).

In addition, the Liquidity Facility Provider shall use best endeavours to procure a replacement Liquidity Facility Provider or a guarantor for the Liquidity Facility Provider's obligations with the Liquidity Facility Required Ratings. If the Liquidity Facility Provider ceases to have at least the Liquidity Facility Required Ratings and a transfer to another Liquidity Facility Provider would otherwise have to be made but there is no other liquidity facility provider with the Liquidity Facility Required Ratings or if no other liquidity facility provider agrees to such transfer, the Issuer and the Liquidity Facility Provider (as applicable) shall use reasonable endeavours to consult with the Rating Agencies to consider alternative criteria for a substitute Liquidity Facility Provider prior to selection of a replacement. The appointment of any new liquidity facility provider will be conditional upon such new liquidity facility provider acceding to and agreeing to be bound by, *inter alia*, the Intercreditor Agreement in accordance with the terms of thereof.

The Issuer or the Liquidity Facility Provider, as applicable, will keep the Representative of the Noteholders, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Issuer and the Liquidity Facility Provider (as applicable) informed of any discussions it has with the Rating Agencies pursuant to this clause (it being acknowledged that there is no obligation on any of the Rating Agencies to provide any advice or Rating Agency Confirmation) and will take account of any views they may express as to the same. Following such consultation, if a replacement entity is appointed, the appointment will be notified to the Rating Agencies by the Issuer or the Liquidity Facility Provider promptly.

If the Calculation Agent or the Corporate Servicer, as applicable, (on behalf of the Issuer) makes a Stand-by Drawing on the Issuer's behalf, the Calculation Agent (on behalf of the Issuer) will, if directed in writing by the Issuer (acting on the instructions of the Liquidity Facility Provider, who may give such instructions at its discretion but is not bound to give any instruction, or, if no such instructions have been given by the Liquidity Facility Provider, at the instructions of the Representative of the Noteholders, who may give such instructions at its discretion but is not bound to give any instruction, and who may request directions from the Noteholders) invest such funds in Eligible Investments.

"**Eligible Investment**" means:

(a) any senior, unsubordinated debt security, investment, commercial paper, deposit (including, for the avoidance of doubt, any moneys on deposit in any of the Issuer Accounts (other than the Issuer Collection Account) or other debt instrument (including, for the avoidance of doubt, a money market fund) issued by, or fully and unconditionally guaranteed by, an Eligible Institution, which:

(i) will be denominated in euro;

(ii) except in the case of a cash deposit, is primarily settled through Euroclear or Clearstream;

(iii) will have a maturity date falling within a period of 30 calendar days (provided that, if the scheduled maturity date is longer than a period of 30 calendar days, such Eligible Investment will be required to have a long-term rating of "AA-" and/or a short-term rating of "F1+" from Fitch) and in any event, which are redeemable at par together with accrued unpaid interest, not later than one Business Day prior to the next following Note Payment Date;

(iv) except in the case of a deposit, will be in the form of notes or financial instruments having a short-term rating of at least "F1" from Fitch, respectively, provided that:

(A) any Eligible Investment in notes or financial instruments having a short-term rating of "F1" from Fitch will not comprise more than 20 per cent. of a single rated issue's outstanding principal amount; and

(B) with respect to any investment made using moneys on deposit in the Issuer Stand-by Account, Eligible Investments will be money market funds which have an "AAAmmf" long-term rating (or its equivalent) by Fitch for their unguaranteed, unsecured and unsubordinated debt obligations or, as applicable, such other long term debt rating as is commensurate with the rating assigned to the Most Senior Class of Notes from time to time; and

(C) the Calculation Agent will be required pursuant to an instruction in writing from the Issuer to invest amounts standing to the credit of the Issuer Collection Account that will be payable by the Issuer on the next Note Payment Date in Eligible Investments which are money market funds which have a "AAAmmf" long-term rating (or its equivalent) by Fitch for their unguaranteed, unsecured and unsubordinated debt obligations or such lower short-term or, as applicable, long-term debt rating as is commensurate with the rating assigned to the Notes from time to time; and

(v) provides for principal to be repaid in respect of such investment which is at least equal to the price paid to purchase such investment and does not fall to be determined by reference to any formula or index and is not subject to any contingency; and

(vi) unless other specific ratings by Fitch are set out in the sections above, complies with the criteria set out in the following table in respect of ratings by Fitch:

Current Rating of the Notes	Fitch Minimum Required Ratings of Eligible Investments
"A+"*sf* and higher	"A-" with a short-term rating of "F2"
"A"*sf*	"BBB+" with a short-term rating of "F2"
"A-"*sf*	"BBB-" with a short-term rating of "F3"
"BBB+"*sf*	At least as high as the Most Senior Class of Notes' rating
"BB+"*sf* and below	At least as high as the Most Senior Class of Notes' rating; and

(vii) complies with the criteria set out in the following tables in respect of ratings by DBRS

(A) For Eligible Investments with a maturity up to 30 days:

Rating Assigned to the Most Senior Class of Notes	Maximum Maturity: 30 days Minimum Rating:
AAA (sf)	"A" or R-1 (middle)
AA (high) (sf)	"A" or R-1 (middle)
AA (sf)	"A" or R-1 (middle)
AA (low) (sf)	"A" or R-1 (middle)
A (high) (sf)	BBB (high) or R-2 (high)
A (sf)	BBB or R-2 (middle)
A (low) (sf)	BBB (low) or R-2 (low)
BBB (high) (sf)	BBB (low) or R-2 (low)
BBB (sf)	BBB (low) or R-2 (low)
BBB (low)	BBB (low) or R-2 (low)
BB (high) (sf)	BB (high) or R-3
BB (sf)	BB or R-4
BB (low) (sf)	BB (low) or R-4
B (high) (sf)	B (high) or R-4
B (sf)	B or R-4
B (low) (sf)	B (low) or R-5

(B) For Eligible Investments with a maturity greater than 30 days:

	Most Senior Class of Notes rated at least AA (low) (SF)	Most Senior Class of Notes rated Between A (high) (sf) and A (low) (sf)	Most Senior Class of Notes rated BBB (high) (sf) and Below
Maximum Maturity	**Rating**	**Rating**	**Rating**
90 days	AA (low) or R-1 (middle)	A (low) or R-1 (low)	BBB (low) or R-2 (middle)
180 days	AA or R-1 (high)	"A" or R-1 (low)	BBB or R-2 (high)
365 days	AAA or R-1 (high)	A (high) or R-1 (middle)	BBB r R-2 (high)

(C) As an alternative the ratings set out in sections (A) and (B) above, if no DBRS rating has been given, the DBRS Minimum Equivalent Rating shall apply;

(b) repurchase transactions between the Issuer and Eligible Institution in respect of which the obligations of the Eligible Institution to repurchase from the Issuer the underlying debt securities are senior and unsubordinated and rank *pari passu* with other senior and unsubordinated debt obligations of the Eligible Institution and qualifies for an exemption from United States withholding tax if the repurchase transaction is with a United States Eligible Institution, **provided that** they can be liquidated at par not later than 1 Business Day prior to the next following Note Payment Date.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-

DBRS	Moody's	S&P	Fitch
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Equivalent Rating**" means:

(a) if a Fitch public rating, a Moody's public rating and an S&P public rating in respect of the relevant company or the relevant investment, as applicable, (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Minimum Equivalent Rating will be such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then it will be considered one notch lower);

(b) if Public Long Term Ratings of the relevant company or the relevant investment, as applicable, are available only by any two of Fitch, Moody's and S&P at such date, the DBRS Minimum Equivalent Rating will be the lower of such Public Long Term Ratings (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then it will be considered one notch lower); and

(c) if a Public Long Term Rating is available only by any one of Fitch, Moody's and S&P at such date, the DBRS Minimum Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, it will be considered one notch lower).

If at any time the DBRS Minimum Equivalent Rating cannot be determined under subparagraphs (a) to (c) above, then it will be the rating that DBRS will confirm to the Issuer.

Amounts standing to the credit of the Issuer Stand-by Account will be available to the Issuer to be drawn in the same circumstances as the Liquidity Drawings, as described above, and otherwise in the circumstances provided in the Liquidity Facility Agreement and, all repayments of Liquidity Drawings will, after a Stand-by Drawing has been made, be paid into the Issuer Stand-by Account (unless the Stand-by Drawing is then repayable). Following the occurrence of a Note Event of Default or the Notes otherwise becoming due and repayable in full and following the occurrence of a Liquidity Facility Event of Default, principal amounts standing to the credit of the Issuer Stand-by Account must be repaid to the Liquidity Facility Provider and will not be applied in accordance with either the Pre-Note Enforcement Notice Priority of Payments or the Post-Note Enforcement Notice Priority of Payments. No amount may be drawn under the Liquidity Facility Agreement after the earlier of the Final Maturity Date or the date on which all Notes have been redeemed in full.

If a Stand-by Drawing has been made by reason of a ratings downgrade, and the Liquidity Facility Provider is subsequently upgraded or a guarantee provided (complying with the requirements set out in the Liquidity Facility Agreement), the Issuer must then repay the Stand-by Drawing using funds in the Issuer Stand-by Account.

Subject to the specific terms applicable to the repayment of Temporary Drawings, as described in the section headed *Drawings* above, if a Liquidity Drawing is not repaid on the relevant Note Payment Date (it being noted that the Issuer is obliged to so repay, in accordance with the terms of the Liquidity Facility Agreement and the Cash Allocation, Management and Payments Agreement if there are sufficient Issuer Available Funds to do so), the relevant Liquidity Drawing will be deemed to have been repaid (but only for the purposes of the Liquidity Facility) and redrawn on such Note Payment Date in an amount equal to all amounts outstanding **provided that** the aggregate of the amounts drawn together with other Liquidity Drawings will not exceed the Liquidity Commitment. This procedure will be repeated on each subsequent Note Payment Date, up to the amount of the Liquidity Commitment, until all amounts outstanding under the Liquidity Facility Agreement are paid and/or repaid or until the Final Maturity Date, or if earlier, the Liquidity Facility Term Date or Liquidity Facility Event of Default, as the case may be.

Commitment Fee

A commitment fee will accrue with respect to the Liquidity Facility on a daily basis at the rate of 1 per cent. per annum on the undrawn, uncancelled amount of the Liquidity Commitment. Accrued commitment fee will be payable quarterly in arrear on each Note Payment Date.

Interest

Liquidity Drawings and Stand-by Drawings will bear interest.

The rate of interest payable to the Liquidity Facility Provider in relation to Liquidity Drawings and Stand-by Drawings will be a per annum rate equal to the sum of 3-month EURIBOR (determined in accordance with the Liquidity Facility Agreement) plus a margin of 2.5 per cent. per annum (the "**Liquidity Margin**") plus any applicable increased costs.

If the Liquidity Facility Provider receives any part of the Liquidity Drawing or a Stand-By Drawing before the end of the relevant Liquidity Facility interest period, the Issuer, at the request of the Liquidity Facility Provider, shall pay the additional interest which would have been payable on the amount so received on the last day of such Liquidity Facility interest period.

Interest on each Liquidity Drawing and each Stand-by Drawing shall accrue daily and shall be calculated on the outstanding daily balance of such Liquidity Drawing or Stand-by Drawing on the basis of actual days elapsed and a 360-day year.

Liquidity Facility Event of Default

A Liquidity Drawing will not be permitted if a Liquidity Facility Event of Default is continuing. A "**Liquidity Facility Event of Default**" will include non-payment by the Issuer of amounts payable by it to the Liquidity Facility Provider, certain insolvency related events and illegality and the occurrence of a Note Event of Default. In addition, a Liquidity Drawing will not be made if at any time, the principal amount outstanding on the Notes, together with the aggregate of: (i) all unpaid costs and expenses due to the Loan Finance Parties under the Loan Agreements (including any due to any receiver or delegate); (ii) all amounts then due or accrued but unpaid which comprise Issuer Priority Payments; (iii) any amounts due or accrued but unpaid to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than Liquidity Subordinated Amounts) and all amount ranking in priority thereto in the Pre-Note Enforcement Notice Priority of Payments; (iv) an amount equal to the undrawn Liquidity Commitments immediately prior to such Liquidity Drawing; and (v) all interest amounts accrued but unpaid to the holders of the Most Senior Class of Notes, as a percentage of the aggregate market value of the Properties (determined in accordance with the most recent Valuation of the Properties at that time) is more than 180 per cent.

Miscellaneous

Certain information relating to the Liquidity Facility (including details of the making of any Liquidity Drawings, changes to the credit ratings of the Liquidity Facility Provider and renewals of the Liquidity Facility) will be provided to the Rating Agencies.

The Liquidity Facility Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, English law.

SERVICING ARRANGEMENTS FOR THE LOANS

Master Servicing Agreement

Pursuant to the Master Servicing Agreement, the Issuer will appoint Zenith Service S.p.A. as the Master Servicer to act as its agent and to provide certain services in relation to the Loans and the Loan Transaction Security. Pursuant to the Delegate Servicing Agreement, the Master Servicer will appoint Mount Street Mortgage Servicing Limited as the Delegate Primary Servicer and the Delegate Special Servicer and will delegate to them the performance of the Primary Services and the Special Services.

The Master Servicer will act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and, in such capacity, will also be responsible for ensuring compliance of the transaction with the provisions of articles 2.3, letter (c), and 2.6 of the Securitisation Law (the "**Regulatory Services**").

The Master Servicer will act as reporting entity on behalf of the Issuer, in the interest of the Issuer and of the other entities that are subject to the CRA Disclosure Obligations. For the purpose of satisfying the CRA Disclosure Obligations in relation to the Securitisation, the Master Servicer will cause timely publication on behalf of the Issuer in accordance with the CRA Regulation, of the information, data, reports and documents available to the Master Servicer in any if its roles in the framework of the Securitisation and those it receives from the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, and from the Calculation Agent. The Delegate Primary Servicer, the Delegate Special Servicer and the Calculation Agent shall provide the Master Servicer with all information, documents and data that are from time to time required for the purpose of satisfying the CRA Disclosure Obligations upon the Master Servicer's request. In particular, without limitation, the Delegate Primary Servicer, or the Delegate Special Servicer, as applicable, shall liaise with the Borrowers and any other party to the Loan Documents, as applicable, in order to timely obtain all required information and documents additional to those to be provided by the Borrowers pursuant to the Loan Documents. All such information and documents will be provided to the Master Servicer with the frequency as may be from time to time required for the purpose of the timely satisfaction of the CRA Disclosure Obligations, as notified by the Master Servicer. The Delegate Primary Servicer, the Delegate Special Servicer, the Calculation Agent, the Master Servicer and the Issuer shall provide the Originator with all information, documents and co-operation appropriate to allow the Originator to satisfy the CRA Disclosure Obligations in the event they are not satisfied on behalf of the Issuer as described above, upon the Master Servicer's request, **provided that** the Originator shall not under an obligation *vis-à-vis* any party to satisfy the CRA Disclosure Obligations nor shall it assume any liability in relation thereto and any activity carried out by the Originator in relation therewith, in any case subject to mandatory provisions of the CRA Regulations.

The activities to be carried out by the Master Servicer will (through the Delegate Primary Servicer, to the extent appointed) include (prior to the Loans becoming Specially Serviced Loans), taking all steps, in accordance with the Servicing Standard, to preserve the Issuer's interests, processing and managing administrative and accounting data in relation to the Loan Portfolio and performing any other duties applicable to the Master Servicer (through the Delegate Primary Servicer, to the extent appointed) from time to time as specified under the Master Servicing Agreement (the "**Primary Services**").

The Master Servicer (through the Delegate Special Servicer, to the extent appointed) will (for as long as the Loans are Specially Serviced Loans), among other things, be responsible for carrying out, on behalf of the Issuer, any activities related to the management, enforcement and recovery of the defaults and delinquencies under the Loans and will perform all other duties applicable to the Master Servicer (through the Delegate Special Servicer, to the extent appointed) from time to time in accordance with the Master Servicing Agreement (the "**Special Services**", together with the Regulatory Services and the Primary Services, the "**Services**").

Under the Master Servicing Agreement, the Issuer will agree and acknowledge the delegation to the Delegate Primary Servicer and the Delegate Special Servicer of the performance of the Primary Services and the Special Services (as relevant) and that the Master Servicer shall, for as long as a Delegate Primary Servicer and a Delegate Special Servicer are appointed, not be responsible for the performance of the Primary Services and the Special Services (as relevant), nor shall it be held liable for the activities of the Delegate Primary Servicer and the Delegate Special Servicer in respect of the Primary Services and the Special Services so delegated.

Delegation by the Master Servicer

In addition to the delegation to the Delegate Primary Servicer and the Delegate Special Servicer as described above, if certain specified conditions are met, the Master Servicer shall be entitled to delegate the performance of all or any of its obligations under the Master Servicing Agreement to a sub-contractor or delegate of the Master Servicer, without requiring the consent of any other person to such delegation. Notwithstanding any such sub-contracting or delegation of the performance of any of its obligations under the Master Servicing Agreement, the Master Servicer will not be released or discharged from any liability for the activities so delegated, but will remain responsible for the performance, non-performance or manner of performance of its duties and obligations by any such sub-contractor or delegate and will monitor at its own cost the performance and enforce the obligations of any such sub-contractor or delegate.

Delegate Servicing Agreement

Simultaneously with the entering into the Master Servicing Agreement, the Issuer will also enter into with the Master Servicer and Mount Street Mortgage Servicing Limited (as Delegate Primary Servicer and Delegate Special Servicer), the Delegate Servicing Agreement, pursuant to which the Delegate Primary Servicer will agree to carry out the Primary Services and the Delegate Special Servicer will agree to carry out the Special Services. As a result, the fees payable to the Delegate Primary Servicer and the Delegate Special Servicer for the performance of the Primary Services and the Special Services, respectively, will be paid by the Issuer to the Delegate Primary Servicer and the Delegate Special Servicer directly.

The Delegate Primary Servicer and/or the Delegate Special Servicer may (at its own cost) sub-contract or delegate the performance of any of its obligations under the Delegate Servicing Agreement, **provided that** certain conditions are satisfied (including that the prior written consent of the Master Servicer has been obtained). The Issuer (with the consent of the Representative of the Noteholders) will be permitted to deliver a termination notice to the Delegate Primary Servicer and/or the Delegate Special Servicer following the occurrence of certain events.

Servicing of the Loans

Servicing Standard

Each of the Master Servicer, Delegate Primary Servicer and Delegate Special Servicer is required to perform its duties on behalf of and for the benefit of the Issuer and also for the benefit of the Representative of the Noteholders, acting for itself and on behalf of the other Issuer Secured Creditors, in accordance with and subject to the following (the "**Servicing Standard**"):

(a) all applicable laws and regulations;

(b) the terms of the Loan Finance Documents;

(c) the terms of the Master Servicing Agreement, or, in the case of the Delegate Primary Servicer or the Delegate Special Servicer, the terms of the Delegate Servicing Agreement in the best interests and for the benefit of the Issuer as owner of the Receivables, using its reasonable judgement; and

(d) the higher of:

(i) the standard of care and with the same skill, care and diligence it applies in servicing similar loans for other third parties; or

(ii) the standard of care and with the same skill, care and diligence it would apply in servicing any commercial mortgage loans it held in its own portfolio,

in each case giving due consideration to customary and usual standards of practice of reasonably prudent commercial mortgage loan servicers servicing commercial mortgage loans which are similar to the Loans with a view to the prudent and timely exercise of the rights of the Issuer under the Loan Finance Documents, the timely collection of all scheduled payments of principal, interest and other amounts due in respect of the Loans and Loan Transaction Security and, if a Loan Event of Default occurs and is continuing, achieving the maximisation of recoveries in respect of that Loan on or before the Final Maturity Date for the Issuer. In the event that there is a conflict between any of the requirements set out in points (a) to (d) above, the Master

Servicer, the Delegate Primary Servicer and the Delegate Special Servicer, as applicable, will apply such requirements in the order of priority in which they appear.

The Master Servicer, Delegate Primary Servicer and Delegate Special Servicer, as applicable, are required to adhere to the Servicing Standard without regard to (a) any fees or other compensation to which they are entitled, (b) any relationship they or any of their respective affiliates may have with any party to the transactions entered into in connection with the issue of the Notes or with the Borrowers or any affiliate of the Borrowers or (c) the ownership of any Note or any interest in a Loan by the Master Servicer, Delegate Primary Servicer, the Delegate Special Servicer, as applicable, or any of their respective affiliates.

If the Delegate Primary Servicer and/or the Delegate Special Servicer (as applicable) is required (at the direction or request, in each case in writing, of the Issuer (with the consent of the Representative of Noteholders) or the Representative of the Noteholders) to take or to refrain from taking a particular course of action, then the Delegate Primary Servicer and/or Delegate Special Servicer shall take and/or be entitled to take or to refrain from taking the relevant course of action without any regard as to whether the relevant matter would be consistent with the Servicing Standard.

The Issuer will procure that copies of the Loan Finance Documents are delivered to each of the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer.

Collection Obligations

Until the principal and interest on the Loans are paid in full or a Final Recovery Determination is made, the Master Servicer, the Delegate Primary Servicer and/or, in relation to a Specially Serviced Loan the Delegate Special Servicer, as the case may be, is required to use efforts consistent with the Servicing Standard to collect all payments called for under the terms and provisions of each Loan Agreement and is required to follow such collection procedures as are consistent with the Master Servicing Agreement and the Delegate Servicing Agreement (as applicable) and in accordance with the Servicing Standard.

"**Final Recovery Determination**" means, in relation to a Loan, a determination by the Delegate Special Servicer acting in accordance with the Servicing Standard, that there has been a recovery of all principal in respect of the Loan and other payments or recoveries that, in the Delegate Special Servicer's judgment, will ultimately be recoverable with respect to any relevant Loan, such judgment to be exercised in accordance with the Servicing Standard.

Inspections

The Delegate Special Servicer will be required to inspect or cause to be inspected each of the Properties related to a Loan promptly following the occurrence of a Special Servicer Transfer Event in respect of that Loan and thereafter not less frequently than once per year. The Delegate Primary Servicer or Delegate Special Servicer, as applicable, will be required to further inspect, or cause to be inspected, the applicable Properties whenever the Delegate Primary Servicer or Delegate Special Servicer, as applicable, receives information that such Properties have been materially damaged, left vacant, or abandoned, or if waste is being committed there. All such inspections are required to be performed in such manner as is consistent with the Servicing Standard. The annual inspections will be at the cost and expense of the Issuer. The obligations to inspect the Properties shall in each case be subject to the extent permitted by the relevant Loan Finance Documents.

Valuations

The Delegate Primary Servicer and the Delegate Special Servicer, as applicable, will be required to use reasonable endeavours to obtain valuations of the Properties no less frequently than annually in accordance with the terms of the Loan Agreements. Such valuation will be at the expense of the relevant Borrower in accordance with the terms of the relevant Loan Agreement. To the extent that the same cannot be recovered from the relevant Borrower, it will be at the cost of the Issuer.

Other Responsibilities of the Delegate Primary Servicer and the Delegate Special Servicer

In addition to their obligations described above, the Delegate Primary Servicer and the Delegate Special Servicer, as applicable, will have certain obligations with respect to the activities entrusted to them under the Delegate Servicing Agreement, including liaising with the relevant Borrower Facility Agent and the relevant Borrower Security Agent, managing the Issuer's interests with respect to any modifications, waivers and consents relating to a Loan and taking any actions to realise upon the Loan Transaction Security for a Loan.

Waiver of Financial Covenant Breach

For as long as a Loan is not a Specially Serviced Loan, the Delegate Primary Servicer (but, for the avoidance of any doubt, not the Delegate Special Servicer) will have the right to decide subject to the Servicing Standard whether or not to waive any breach of a financial covenant under any Loan Agreement by any Borrower or Loan Obligor within 60 days of becoming aware of the same and after expiry of all applicable grace periods. If the Delegate Primary Servicer decides to waive any such breach of a financial covenant, it will notify in writing such intention to the Representative of the Noteholders and, *inter alia*, request the Representative of the Noteholders to convene an information meeting of the Noteholders of all Classes subject to and in accordance with the Conditions no later than 30 days after the date on which it grants such waiver. The sole purpose of such meeting of Noteholders will be for the Delegate Primary Servicer to present to the Noteholders the facts and circumstances of such breach and its reasons for granting such waiver and for the Noteholders to raise any questions they may have on the same. In no event will the Delegate Primary Servicer be bound to take account of any views or follow any directions expressed or given by Noteholders at such meeting in relation to such breach or waiver. These requirements will not apply if a Loan is a Specially Serviced Loan.

Special Servicer Transfer Event

The Delegate Primary Servicer will have the sole responsibility to service and administer each Loan until the occurrence of a Special Servicer Transfer Event in relation to that Loan.

A Loan will become subject to a "**Special Servicer Transfer Event**" in the event any of the following occurs:

(a) a payment default occurs on the Loan Maturity Date (as the same may have been extended pursuant to any extension provisions existing under the terms of the Loan Agreement at the Closing Date);

(b) any payment by any Loan Obligor under any Loan Finance Document, different from those under paragraph (a) above, if any, being more than 30 days overdue;

(c) any of the Calvino Borrower, the Fashion District Borrower or, with regard to the Globe Loan, any Loan Obligor or any SGR under the relevant Loan Agreement becoming the subject of any insolvency proceedings, creditors' process or certain other insolvency related events (as provided for under the relevant Loan Agreement) which, in the case of an SGR, do not result in the SGR being replaced within 6 (six) months;

(d) the occurrence of a Loan Event of Default arising as a result of any cross-default or the Delegate Primary Servicer or the Delegate Special Servicer, as the case may be, receiving a notice of the enforcement of or realisation on any Loan Transaction Security; or

(e) subject to any waiver granted described in section "*—Waiver of Financial Covenant Breach*" above, any other default, as prescribed under any Loan Agreement, which is not cured within the applicable cure period, or which, in the opinion of the Delegate Primary Servicer, exercised in accordance with the Servicing Standard, is imminent and not likely to be cured within 21 days, and would be likely, in the opinion of the Delegate Primary Servicer, to have a material adverse effect upon the interests of the Issuer.

Promptly after the determination by the Delegate Primary Servicer that a Special Servicer Transfer Event has occurred, the Delegate Primary Servicer will be required to notify the Issuer, the Representative of the Noteholders, the Calculation Agent, the Master Servicer and the Delegate Special Servicer and the Operating Advisor (if appointed) of such determination.

Upon the Delegate Primary Servicer determining that a Special Servicer Transfer Event has occurred with respect to a Loan, the Delegate Special Servicer will automatically assume those duties as provided for under the Master Servicing Agreement and/or the Delegate Servicing Agreement in respect of such Loan and such Loan will become a "**Specially Serviced Loan**". Servicing of any Loan which has become a Specially Serviced Loan will be re-transferred to the Delegate Primary Servicer and it will cease being a Specially Serviced Loan and become a "**Corrected Loan**" upon the discontinuance of any event which would constitute a monetary Special Servicer Transfer Event for 2 consecutive Loan Interest Periods provided the facts giving rise to any other Special Servicer Transfer Event have ceased to exist and no other matter exists which would give rise to that Loan becoming a Specially Serviced Loan, in each case, as determined by the Delegate Special Servicer.

Notwithstanding the appointment of the Delegate Special Servicer with respect to a Specially Serviced Loan, the Delegate Primary Servicer will be required to continue to collect information and prepare all reports required to be collected or prepared by it under the Master Servicing Agreement or the Delegate Servicing Agreement (as applicable) (subject to receipt by it of the required information from the Delegate Special Servicer) but will not be subject to any of the duties and obligations of the Delegate Special Servicer. Neither the Delegate Primary Servicer nor the Delegate Special Servicer will have responsibility for the performance by the other of its obligations and duties under the Delegate Servicing Agreement.

Asset Status Report

Pursuant to the Master Servicing Agreement and the Delegate Servicing Agreement (as applicable), if a Special Servicer Transfer Event occurs in relation to any Loan, the Delegate Special Servicer will be required to prepare an asset status report (an "**Asset Status Report**") with respect to that Loan and the relevant Properties within 60 days after the occurrence of such Special Servicer Transfer Event. The Delegate Special Servicer will be required to consult with the Operating Advisor (if appointed) in connection with its preparation of each Asset Status Report.

The Master Servicing Agreement and the Delegate Servicing Agreement (as applicable) will provide that each Asset Status Report should contain, amongst other things:

(a) a description of the status of the relevant Loan and its Properties, any strategy with respect to the same and any negotiations with the Borrowers or other Loan Obligors under each Loan;

(b) consideration of the effect on net present value basis (as determined from time-to-time by the Delegate Primary Servicer or the Delegate Special Servicer (as appropriate) with reference to the euro mid-swaps rate based upon time to maturity of the Loan (taking into account any effected extensions thereof in accordance with the terms of the Loan Agreement)) of various courses of action with respect to the relevant Loan, including without limitation, work-out of that Loan or realisation on the related security for that Loan; and

(c) a summary of the Delegate Special Servicer's recommended actions and strategies with respect to a Loan that, subject to the terms of the Master Servicing Agreement and the Delegate Servicing Agreement (as applicable), will be the course of action that the Delegate Special Servicer has determined would maximise recovery on the Loan on a net present value basis.

The Delegate Special Servicer will deliver a copy of each Asset Status Report to the Master Servicer, the Operating Advisor, the Delegate Primary Servicer and to the Liquidity Facility Provider. The Delegate Special Servicer will also be required to deliver to the Issuer and the Representative of the Noteholders a notice (which shall be notified to the Noteholders as described below) that will include a summary of the current Asset Status Report (which will be a brief summary of the current status of the Properties securing the relevant Specially Serviced Loan and current strategy with respect to the relevant Specially Serviced Loan, with information redacted if and to the extent the Delegate Special Servicer determines, in its reasonable discretion, it may compromise the position of the Issuer, as lender, such as information that might compromise any ongoing discussions and negotiations with the Loan Obligors). The Delegate Special Servicer shall assist the Issuer so that it may publish such summary in an RIS filing or equivalent filing, if any, that complies with the requirements of the relevant exchange on which the Notes are listed and applicable law. The Delegate Special Servicer may, from time to time, modify any Asset Status Report it has previously delivered and, will deliver the modified report to the Operating Advisor (if appointed), the Master Servicer and Delegate Primary Servicer and a revised summary of the same to the Issuer and the Representative of the Noteholders, which the Issuer will be required to post in compliance with the relevant exchange on which the Notes are listed and applicable law.

Controlling Class and Operating Advisor

Condition 16 (*Controlling Class*) will provide that the majority holders of the Controlling Class may appoint a representative (an "**Operating Advisor**") to represent its interests when the Delegate Primary Servicer or the Delegate Special Servicer is making decisions regarding any Loan, with such appointment effective upon written notice from the Representative of the Noteholders to the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer. If the Loan Obligors or any of their affiliates hold any Notes of the Controlling Class they may not vote or take any other action to elect an Operating Advisor and, for the purpose of determining the majority holders of the Controlling Class with respect to such election of an Operating Advisor, their Notes will not be considered to be outstanding.

Neither the Controlling Class nor the Operating Advisor will have any liability to the Issuer, any Noteholder (of any Class), the Representative of the Noteholders or any other party for any action taken, or for refraining from taking any action, in good faith or for any errors of judgment.

The Operating Advisor will have the following rights:

- Consultation with the Delegate Special Servicer in connection with the preparation of any Asset Status Report (see subsection entitled "*—Asset Status Report*" above);

- The Operating Advisor may upon giving written notice to the Issuer, the Master Servicer and the Representative of the Noteholders (a "**Termination Request**") require the Master Servicer to require the Delegate Special Servicer to resign and propose a successor Delegate Special Servicer and, if the Operating Advisor gives such notice, the Master Servicer will so act and serve notice on the Delegate Special Servicer requiring it to resign (a "**Termination Notice**") **provided that** no termination will be effective unless:

(a) the Termination Request from the Operating Advisor nominates a successor Delegate Special Servicer who has confirmed in writing to the Issuer and the Representative of the Noteholders that it is willing to accept the appointment on the terms of the Master Servicing Agreement and the Delegate Servicing Agreement;

(b) the successor Delegate Special Servicer demonstrated to the satisfaction of the Representative of the Noteholders, including, without limitation, by way of certifying in writing to the Representative of the Noteholders (upon which certification the Representative of the Noteholders may rely absolutely and without liability) that (i) it is experienced in specially servicing or working out defaulted loans which are similar in size and complexity and are secured on commercial real estate in the same jurisdictions as each Loan, (ii) it is experienced in working out or specially servicing loans secured by mortgages over commercial property on similar terms to that required under the Master Servicing Agreement and (iii) it has sufficient resources and systems in place to enable it fully to perform the responsibilities required of it as successor Delegate Special Servicer; and

(c) no other Termination Request has been made by the Operating Advisor (or any other Operating Advisor appointed by the majority holders of the same Controlling Class) in the 12 months prior to the date of the relevant Termination Request.

In the event the successor selected by the Operating Advisor has confirmed that it will not be available to act unless it is also appointed as Master Servicer, the replacement of the Delegate Special Servicer will also be conditional upon the Master Servicer being replaced, which in turn will be subject to the replacement of the Master Servicer having been approved by the Noteholders. In the context of a replacement of Delegate Special Servicer required by the Operating Advisor, the Master Servicer will also have to be replaced if it fails to replace the then Delegate Special Servicer with the successor selected by the Operating Advisor, or if it is unable to appoint such proposed successor.

The Representative of the Noteholders will be required to use reasonable endeavours to confirm whether or not the nominated replacement meets the required criteria set out in paragraphs (a) to (c) above within a commercially reasonable period following delivery of the relevant Termination Request and, in any case, within 15 Business Days of the relevant Termination Request. The Representative of the Noteholders will (without prejudice to the Representative of the Noteholders' ability to rely on such certification for any other purpose) be required to make such determination in respect of paragraph (b) above without exclusive reliance upon the written certification of the successor Delegate Special Servicer. However, in making such determination in respect of paragraph (b) above, the Representative of the Noteholders may, at the cost of the Issuer, retain a financial or other expert advisor and may rely absolutely and without liability on the recommendation of such advisor. If the Representative of the Noteholders is for any reason (which may include its inability to retain a suitable advisor who is able to provide the required advice) unable to reach a determination that the nominated successor meets the required criteria set out in paragraph (a) to (c) above, it will inform the Operating Advisor and the Operating Advisor may propose an alternative replacement subject to the requirements set out in paragraphs (a) to (c) above. Pending the replacement procedure, the Delegate Special Servicer will continue to carry out the activities entrusted to it under the Delegate Servicing Agreement, and will be entitled to the relevant fees and reimbursements as set out therein.

Following delivery of a Termination Request, if the Operating Advisor proposes a successor Delegate Special Servicer which the Representative of the Noteholders determines meets the required criteria set out in paragraphs (a) to (c) above, the termination and replacement of the Delegate Special Servicer shall, subject to the conditions described below, take effect upon the later of 45 days of the date of delivery of such Termination Request, provided that in any case a 30 day Termination Notice is served, and the accession by the successor Delegate Special Servicer to all documentation to which the Delegate Special Servicer is a party.

As described further below, the Delegate Primary Servicer and the Delegate Special Servicer will be authorised to approve certain modifications, waivers and consents in respect of any Loan. In this regard, prior to taking or consenting to any of the following actions with respect to any Loan (other than with respect to any waiver, approval under, consent or modification of or to any Loan Finance Document which is permitted under the express terms of such Loan Finance Document, but which is subject to the satisfaction of certain specified conditions set forth under the terms of the Loan Finance Documents (including, without limitation, in connection with an extension of any Loan to which the Borrowers are entitled under the terms of the relevant Loan Finance Documents) (a "**Contemplated Modification**")) on behalf of the Issuer, the Delegate Primary Servicer or, as applicable, the Delegate Special Servicer, subject to the Servicing Standard Override, must not, for at least five Business Days after notifying the Operating Advisor (if and solely to the extent that the Delegate Primary Servicer or, as applicable, the Delegate Special Servicer has been notified in writing of the appointment of an Operating Advisor) of its intention to do so, agree to amend or waive any provision of any Loan Finance Documents (or authorise or instruct a Borrower Facility Agent to do so) if the effect of such waiver or amendment would be:

(a) to change the date on which any amount is due to be paid by a Loan Obligor or the timing of any payment, in any case different from those contemplated by paragraph (c) below;

(b) to amend any principal amount or the interest rate payable in respect of any Loan;

(c) to extend (except in connection with an extension thereof to which the Borrowers are entitled under the terms of the relevant Loan Finance Documents) or bring forward (except in connection with an acceleration of a Loan) the Loan Maturity Date;

(d) to defer interest on all or any part of any Loan for a period longer than 10 Loan Business Days;

(e) to reduce or waive any amount due under any Loan Finance Documents (including, without limitation, any interest, principal, prepayment fee, late payment charge or default interest);

(f) to permit any Loan Obligor to incur any further financial indebtedness, other than as permitted by the relevant Loan Finance Documents;

(g) to change the currency of any payment due under any Loan Finance Document;

(h) to release any Loan Obligor from any of its material obligations under or in respect of any Loan Finance Document other than in accordance with the terms thereof;

(i) to release or substitute any material part of any Loan Transaction Security or any Property (other than in circumstances which are contemplated by the relevant Loan Finance Documents);

(j) to change the method of calculation of any payment;

(k) to make an amendment to any Loan Finance Documents not described above which the Delegate Primary Servicer or, if at the relevant time the Loan is designated a Specially Serviced Loan, the Delegate Special Servicer, reasonably considers to be material;

(l) to commence formal enforcement proceedings in respect of any Loan or any Loan Transaction Security, including the appointment of a receiver or administrator, the entering into of any agreement with respect to an insolvency administrator of the Borrowers or other Loan Obligors in respect of the realisation of the Loan Transaction Security or similar or analogous proceedings (including the commencement of a marketing process in respect of an intended sale of a Loan);

(m) to commence a sale of a Property or other secured assets outside formal enforcement proceedings, and irrespective of acceleration of the relevant Loan, in each case in agreement with the relevant Borrower

and when permitted by applicable laws (including the commencement of a marketing process in respect of an intended sale of a Loan);

(n) to trigger a cross-default of any Loan to any other indebtedness of any Loan Obligors;

(o) to approve any material capital expenditure (with the exception, for the avoidance of doubt, of those constituting a Contemplated Modification);

(p) to consent to the creation of any debt of any direct or indirect owner of any Loan Obligors that would be paid from distributions of net cash flows from any Property;

(q) to waive any Loan Event of Default relating to a non-payment, a breach of a financial covenant or certain insolvency events;

(r) to approve a restructuring plan in insolvency of any Loan Obligor; or

(s) to modify any provision of any Loan Finance Documents relating to any of the following:

(i) cash or securities reserve requirements;

(ii) rent collection;

(iii) cash management;

(iv) financial covenants;

(v) hedging requirements;

(vi) insurance requirements;

(vii) the basis on which all or any part of any Loan Transaction Security may be released or substituted;

(viii) the basis on which all or any Loan Obligors may be released from their obligations under the relevant Loan Finance Documents; or

(ix) the basis on which further Loan Transaction Security in respect of any Property may be created.

Following such notification, the Delegate Primary Servicer or, as the case may be, the Delegate Special Servicer will consult with the Operating Advisor (if appointed) and not take the relevant action until the earlier of (a) 5 Business Days after the Operating Advisor has been notified of the relevant matter and of the Delegate Primary Servicer's or the Delegate Special Servicer's proposals in relation thereto; and (b) the date on which the Operating Advisor confirms in writing that the Delegate Primary Servicer or Delegate Special Servicer may proceed in accordance with those proposals.

If the Operating Advisor has not confirmed in writing within the prescribed period of time whether it agrees or disagrees with the proposed course of action, the Operating Advisor will be deemed to have agreed thereto within the relevant time period.

If, prior to the day falling 5 Business Days after the notification referred to above, the Operating Advisor notifies the Delegate Primary Servicer or Delegate Special Servicer that it disagrees with the proposed course of action and suggests to the Delegate Primary Servicer or Delegate Special Servicer (as appropriate) alternative courses of action (each, a "**Suggestion**"), then, within five Business Days, the Delegate Primary Servicer or Delegate Special Servicer (as appropriate) is required to submit to the Operating Advisor a revised proposal which shall incorporate the Suggestions to the extent that the same are not inconsistent with the Servicing Standard

Subject to the Servicing Standard Override, the Delegate Primary Servicer and the Delegate Special Servicer will continue to revise their proposals in the manner described in the preceding paragraph until the earliest of:

(a) the delivery by the Operating Advisor of an approval in writing of the revised proposal;

(b) the failure of the Operating Advisor to disapprove of such revised proposal in writing by the fifth, Business Day after its delivery to the Operating Advisor; and

(c) the passage of 30 days from the date of preparation of the first version of the proposal submitted to the Operating Advisor by the Delegate Primary Servicer or the Delegate Special Servicer.

In the absence of any approval or disapproval from the Operating Advisor upon the expiration of the period set out in (b) or (c) above, as applicable, the Delegate Primary Servicer or Delegate Special Servicer will take such action as it considers appropriate in its own discretion acting in accordance with the Servicing Standard (an "**Action Without Agreement**"), giving written notice thereof to the Operating Advisor.

Subject to the Servicing Standard Override (except in the case of paragraphs (b) and (c) below), the Delegate Primary Servicer or the Delegate Special Servicer (as the case may be) is restricted from taking any Action Without Agreement or any other action if the effect of this would be:

(a) unless the Loan is then designated a Specially Serviced Loan, to release any Loan Obligor from any of its material obligations under the respective Loan Finance Documents (otherwise than in accordance with the terms thereof);

(b) to release any material security for any Loan (unless (A) a corresponding principal repayment is made or such release is required under law or contemplated in the relevant Loan Finance Documents or (B) the Delegate Primary Servicer or, as applicable, the Delegate Special Servicer considers there would be no material prejudice to the interests of the Issuer, determined in accordance with the Servicing Standard, as a result or (C) in the framework of a sale in accordance with the provisions of paragraph (l) of section "*—Controlling Class and Operating Advisor*" above);

(c) to require the Issuer to make any further advance of monies to any Loan Obligor or other person, provided that it is permissible under applicable laws and regulations;

(d) unless the Loan is then designated a Specially Serviced Loan, to extend the Loan Maturity Date (either by formal extension or the grant of a standstill) for any Loan beyond the date which is 1 year after the original Loan Maturity Date for such Loan (and, for the avoidance of doubt, the maturity date of such Loan may only be extended (otherwise than in accordance with the terms of the relevant Loan Agreement) if such Loan is then designated a Specially Serviced Loan);

(e) unless the Loan is then designated a Specially Serviced Loan, to materially impair the security therefor; or

(f) unless the Loan is then designated a Specially Serviced Loan, to reduce the likelihood of timely payments of amounts due on the Loan or modify any monetary terms in relation to monies due under the relevant Loan Finance Documents,

(each, a "**Reserved Matter**"). With respect to items (b) and (c) above, which are both not subject to the Servicing Standard Override, as set forth below, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, will not be able to take such action until it has obtained the approval of the Noteholders, which can be obtained by either an Ordinary Resolution or a Negative Consent.

Notwithstanding any of the foregoing requirements, no right of an Operating Advisor to be consulted in connection with a Loan will permit the Delegate Primary Servicer or the Delegate Special Servicer to take any action or to refrain from taking any action which, in the good faith and reasonable judgment of the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, would cause the Delegate Primary Servicer or Delegate Special Servicer to violate the Servicing Standard, nor will the Delegate Primary Servicer or the Delegate Special Servicer refrain from taking any action pending receipt of any Suggestions from the Operating Advisor, following notification, if the Delegate Primary Servicer or Delegate Special Servicer, in its good faith and reasonable judgment, determines that immediate action is necessary to comply with the Servicing Standard, **provided that** such matter does not relate to either: (I) an extension of a Loan Maturity Date that would require a Basic Terms Modification; or (II) items (b) and (c) of the definition of Reserved Matter (such action or refraining from action by the Delegate Primary Servicer or the Delegate Special Servicer, a "**Servicing Standard Override**"). If, in order to comply with the requirements described in this paragraph, the Delegate Primary Servicer or Delegate Special Servicer takes action prior to receiving a response from the Operating Advisor and the Operating Advisor objects to such actions within 5 Business Days after being notified of such action and being provided with all reasonably requested information, the Delegate Primary Servicer or, as the

case may be, the Delegate Special Servicer must (subject always to the foregoing requirements described in this paragraph) take due account of the advice and representations made by the Operating Advisor regarding any further steps that should be taken in connection with such matter that requires the Operating Advisor's approval.

Certain of the Loan Finance Documents contain provisions that require the related Borrower Facility Agent or the related Lenders to respond within a specified period of time from receipt of a request from a Loan Obligor or otherwise be deemed to have provided consent to such matter (such provisions, the "**Snooze/Lose Provisions**"). The Delegate Primary Servicer or the Delegate Special Servicer shall reject a consent request made pursuant to a Snooze/Lose Provision pending receipt of any Suggestions from the Operating Advisor if the Delegate Primary Servicer or Delegate Special Servicer, in its good faith and reasonable judgment, determines that, in accordance with the Servicing Standard, it would be in the best interest of the Issuer for it to take action in order to prevent a deemed consent under a Snooze/Lose Provision for a Loan.

The taking of any action prior to the receipt of the Operating Advisor's approval thereof or in a manner which is contrary to the directions of, or disapproved by, the Operating Advisor will not constitute a breach by the Delegate Primary Servicer or the Delegate Special Servicer of the Master Servicing Agreement so long as, in the Delegate Primary Servicer's or the Delegate Special Servicer's good faith and reasonable judgment, such action was required by the Servicing Standard.

At least once every 12 months whilst a Loan is a Specially Serviced Loan, the Special Servicer will be required to use reasonable endeavours to instruct an independent valuer who is a member of the Royal Institution of Chartered Surveyors ("**RICS**") or a qualified independent valuer acting in accordance with the then current RICS Appraisal and Valuation Standards and to require such valuer to deliver a full valuation within 45 days of such event if and for so long as there does not exist a valuation of the Properties previously obtained by the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, in accordance with each Loan Agreement or by means of instructions given to the valuer by the Delegate Primary Servicer or Delegate Special Servicer, which is less than 12 months old (a "**Recent Valuation**") and provided that such Recent Valuation is not based upon materially different assumptions than those that would be the basis for any new valuation that would be obtained in the reasonable opinion of the Special Servicer acting in accordance with the Servicing Standard and provided further that the Special Servicer has not determined based on publicly available information in relation to property markets in Italy (without any liability on its part) that the Properties or the relevant property markets can reasonably be said to have experienced a decrease in value of greater than 5 per cent. since the Recent Valuation. Such valuation will be at the expense of the relevant Borrower in accordance with the terms of the relevant Loan Agreement. To the extent that the same cannot be recovered from the relevant Borrower, it will be at the cost of the Issuer.

In addition, at any time after the occurrence of a Special Servicer Transfer Event, the Issuer will be required, on receipt of a written request from Noteholders representing at least 10 per cent. of the Notes by Principal Amount Outstanding, to convene a meeting of all of the Noteholders as a single Class to consider an Ordinary Resolution of the Noteholders instructing the Delegate Special Servicer to commission a desktop valuation of the Properties, at the cost of the Issuer, for the purposes of determining the Valuation Reduction Amount at such time **provided that** no more than one such meeting can be convened in any 12-month period.

The Delegate Special Servicer will promptly upon receipt of the valuation obtained as set out above or, if the Delegate Special Servicer determines it to be applicable, the Recent Valuation (such valuation, the "**Control Valuation**"), be required to calculate the sum of: (i) the Valuation Reduction Amount for such Loan based upon the valuation obtained as set out above and (ii) without duplication, losses realised with respect to any enforcement of security in respect of the related Properties. The Delegate Special Servicer will promptly notify and, in any event, within one Business Day following calculation the Valuation Reduction Amount to the Master Servicer, the Calculation Agent and the Liquidity Facility Provider. It will be the responsibility of the Calculation Agent to calculate whether a Control Valuation Event has occurred.

Annual Review

The Delegate Primary Servicer or, in respect of any Loan which is a Specially Serviced Loan, the Delegate Special Servicer is required to undertake, an annual review (the "**Annual Review**") in respect of the Loan Obligors, the Properties and the Loan in accordance with the Servicing Standard and to the extent permitted by applicable laws. The cost of such Annual Review will be an expense of the Delegate Primary Servicer or Delegate Special Servicer, as applicable and will not be reimbursed by the Issuer. Such an Annual Review may include an inspection of the Properties and will include consideration of the quality of the cash flow arising from the Properties (which shall be performed in accordance with "*—Servicing of the Loans—Inspections*" above and,

for the avoidance of doubt, at the cost and expense of the Issuer). Following such review the Delegate Primary Servicer will be required to confirm (in the case of a Specially Serviced Loan, subject to receipt of confirmation from the Delegate Special Servicer) in the next Investor CREFC Quarterly Report whether having made reasonable enquiries in accordance with the Servicing Standard, the Delegate Primary Servicer or, as applicable, the Delegate Special Servicer is aware of any undisclosed breach of each Loan Obligor's covenants under the Loan Finance Documents.

Insurance

The Delegate Primary Servicer (for so long as a Loan is not a Specially Serviced Loan) and the Delegate Special Servicer (for so long as a Loan is a Specially Serviced Loan) will, on behalf of the Borrower Security Agent, the Borrower Facility Agent and the Issuer, administer the procedures for monitoring compliance by the Obligors for the maintenance of insurance in respect of, or in connection with, each Loan and the relevant Loan Transaction Security. Pursuant to the terms of the Delegate Servicing Agreement, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, are required to monitor the compliance of, and to the extent reasonably practicable, to cause the Loan Obligors to comply with, the requirements of the related relevant Loan Finance Documents regarding the maintenance of insurance on the related Properties.

To the extent consistent with the Loan Finance Documents, each of the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, will under the Delegate Servicing Agreement use reasonable efforts consistent with the Servicing Standard to procure that each Loan Obligor maintains insurance coverage required under the relevant Loan Finance Documents from insurers which (i) meet the relevant Requisite Rating; or (ii) if not are otherwise acceptable to the Delegate Primary Servicer or the Delegate Special Servicer.

In the event that the Delegate Primary Servicer (in respect of a Loan which is not a Specially Serviced Loan) or the Delegate Special Servicer (in respect of a Loan which is a Specially Serviced Loan) becomes aware that either (a) any Property is not covered by a buildings insurance policy; or (b) a buildings insurance policy may lapse in relation to any Property due to the non-payment of any premium, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, is required, pursuant to the terms of the Delegate Servicing Agreement, to use reasonable efforts, consistent with the Servicing Standard and subject always to all applicable laws and regulations and the Loan Finance Documents, to procure that buildings insurance is maintained for the Properties in the form required under the related Loan Finance Documents.

If any Borrower (or any Loan Obligor, as applicable pursuant to the terms of each Loan Agreement) does not comply with its obligations in respect of any relevant insurance policy, the Borrower Facility Agent or the Borrower Security Agent (or the Delegate Primary Servicer or Delegate Special Servicer) may (without any obligation to do so) effect or renew any such Insurance Policy (and not in any way for the benefit of the Borrower or Loan Obligor concerned (as applicable)) and the Borrower Facility Agent or the Borrower Security Agent (or the Delegate Primary Servicer or Delegate Special Servicer) will be entitled to make a claim for the monies expended by them in so effecting or renewing any such insurance policy.

Neither the Delegate Primary Servicer, nor the Delegate Special Servicer is required to pay or instruct payment of any amount described above if, in its reasonable opinion, to do so would not be in accordance with the Servicing Standard. For the avoidance of doubt, in no circumstance shall the Primary Servicer or the Special Senior Servicer be required to make the relevant payment from its own funds. See also section entitled "*Risk Factors—Considerations Relating to the Properties—Insurance*". Without prejudice to the matters described in the preceding paragraph, the Delegate Primary Servicer and the Delegate Special Servicer have agreed not to knowingly take any action or omit to take any action which would result in the avoidance, termination or non-renewal of any insurance policy or would reduce the amount payable on any claim thereunder.

Property Protection Advances

Each Loan Agreement obliges the Loan Obligors to pay certain amounts to third parties, such as insurers and persons providing services in connection with the operation of the Properties.

If a Loan Obligor fails to pay any such amount and the Delegate Primary Servicer or, as the case may be, the Delegate Special Servicer, determines in accordance with the Servicing Standard that it would be in the better interest of the Issuer as owner of the Receivables to make such payments as opposed to leaving such amounts unpaid, taking into account the relevant circumstances, including, the related risks that the Issuer would be exposed to if such amounts were not paid and whether any amounts advanced would ultimately be recoverable from the relevant Loan Obligor, then the Delegate Primary Servicer or the Delegate Special

Servicer may (but will not be obliged to) request that the relevant payment (any such payment being, a "**Property Protection Advance**") is made by notifying the amount of the required Property Protection Advance to the Corporate Servicer. For the avoidance of doubt, in no circumstances shall the Delegate Primary Servicer or the Delegate Special Servicer be required to make the relevant payment from its own funds.

Errors and Omissions Insurance

Each of the Delegate Primary Servicer and the Delegate Special Servicer will be required to obtain and maintain, at its own expense, and keep in full force and effect throughout the term of the Master Servicing Agreement, an errors and omissions insurance policy covering the Delegate Primary Servicer's or Delegate Special Servicer's, as applicable, directors, officers, employees and agents acting on behalf of the Delegate Primary Servicer or Delegate Special Servicer, as applicable, in connection with its activities under the Master Servicing Agreement or the Delegate Servicing Agreement, as applicable. In the event that any such policy ceases to be in effect, the Delegate Primary Servicer or Delegate Special Servicer, as applicable, will be required to obtain a comparable replacement policy. Each of the Delegate Primary Servicer and the Delegate Special Servicer will be deemed to have complied with this requirement if an affiliate thereof has such insurance and, by the terms of such policy or policies, the coverage afforded thereunder extends to the Delegate Primary Servicer or the Delegate Special Servicer, as the case may be. The Delegate Primary Servicer and the Delegate Special Servicer will not be required to obtain and maintain such errors and omissions insurance policy provided the Delegate Primary Servicer or Delegate Special Servicer as applicable is then rated at least "*A*-" by Fitch if then rated by Fitch and at least "*A*" by DBRS if then rated by DBRS or, if no rating by Fitch or by DBRS, as applicable, is available, at least "*AVERAGE*" by S&P.

Modifications, Waivers, Amendments and Consents

The Master Servicing Agreement and the Delegate Servicing Agreement, as applicable, will permit the Delegate Primary Servicer, if no Special Servicer Transfer Event has occurred or is continuing, or the Delegate Special Servicer, upon the occurrence and continuance of a Special Servicer Transfer Event to modify, waive or amend any term of a Loan subject to:

- the Servicing Standard;
- the restrictions on the ability of the Delegate Primary Servicer or Delegate Special Servicer to agree to any Reserved Matter but subject to the Servicing Standard Override;
- an extension of the Loan Maturity Date restricted under the definition of Basic Terms Modification, unless authorised by an Extraordinary Resolution; and
- any rights of the Operating Advisor (see subsection entitled "*Servicing Arrangements for the Loans—Controlling Class and Operating Advisor*" above) but subject to the Servicing Standard Override.

To the extent that any modification, waiver to or consent under any Loan Finance Document involves any interaction with any Noteholders, including but not limited to any Ordinary Resolution or Extraordinary Resolution pursuant to which Noteholders provided any consent or direction with respect to any proposed modification, waiver or consent of the Loan Finance Documents, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, shall procure that the relevant Loan Obligors, as a condition to effectiveness of any such modification, waiver or consent, covenant that neither the Loan Obligors nor any of their respective affiliates participated in any such interaction or vote of the Noteholders.

The Delegate Primary Servicer or the Delegate Special Servicer, as applicable, is required to notify the Representative of the Noteholders, the Issuer, the Master Servicer and the Operating Advisor (if appointed), in writing, of any modification, consent, waiver or amendment of any term of a Loan and the date of the modification and any fees, costs or expenses charged to any Loan Obligor.

Ad Hoc Noteholder Committee

The Delegate Primary Servicer or the Delegate Special Servicer, as applicable, will be permitted (but will not be obliged) to form a committee of Noteholders (each such committee, an "**Ad Hoc Noteholder Committee**") in order to allow the Delegate Primary Servicer and/or Delegate Special Servicer, as applicable, to consult with Noteholders for matters such as modifications, waivers and consents relating to the Loans. Any costs of the Delegate Primary Servicer and/or Delegate Special Servicer or any party to the Issuer Transaction

Documents with respect to such Ad Hoc Noteholder Committee will be a cost of the Issuer. The costs relating to any such Ad Hoc Noteholder Committee will be fully disclosed to Noteholders by the Delegate Primary Servicer in the Investor CREFC Quarterly Reports (subject to receipt of the required information from the Delegate Special Servicer if, at the relevant time, a Loan is a Specially Serviced Loan). The Delegate Primary Servicer or Delegate Special Servicer, as applicable, may require the members of the Ad Hoc Noteholder Committee to enter into appropriate confidentiality arrangements where required by law or the Servicing Standard.

The Delegate Primary Servicer or Delegate Special Servicer, as applicable, may agree, on behalf of the Issuer, that the Issuer will compensate the advisors to any Ad Hoc Noteholder Committee subject to the following requirements:

- the Delegate Primary Servicer or Delegate Special Servicer, as applicable, has determined, in its opinion and taking into account the Servicing Standard, that it would be beneficial to engage directly with the Noteholders in connection with any potential modification, waiver or consent relating to the Loans;

- the Noteholders have requested that the Delegate Primary Servicer or Delegate Special Servicer, as applicable, agree, on behalf of the Issuer, that the Issuer will compensate the advisors to the Ad Hoc Noteholder Committee for their reasonable fees;

- the Ad Hoc Noteholder Committee has provided evidence (which can be provided by way of certification as to the same) to the Delegate Primary Servicer or Delegate Special Servicer, as applicable, that its advisors are independent from the relevant Loan Obligors and were selected as a result of a competitive bid process from at least three reputable potential advisors with relevant experience, with the selected advisor providing the lowest bid;

- the Delegate Primary Servicer or Delegate Special Servicer, as applicable, receives confirmation from the Representative of the Noteholders that members of the Ad Hoc Noteholder Committee represent at least 50 per cent. of all the Notes (other than the Class X Detachable Coupon) based upon Principal Amount Outstanding;

- each Noteholder participating in the Ad Hoc Noteholder Committee will be divided based upon the Class of Notes that it holds, with each Class of Notes participating in a vote being a "**Voting Class**"; upon a vote of the Ad Hoc Noteholder Committee conducted by the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, at least 66 $^{2}/_{3}$ per cent. of the Principal Amount Outstanding of each such Voting Class of Notes (other than the Class X Detachable Coupon) must approve the resolution to pay expenses; and

- such proposal to approve expenses presented for vote to the Ad Hoc Noteholder Committee will provide for no more than one legal advisor and one financial advisor for the Ad Hoc Noteholder Committee and will not provide for separate advisors for any Voting Class, unless such proposal for separate advisors for each Voting Class is approved by an Ad Hoc Noteholder Committee containing a Voting Class for each Class of Notes that is outstanding pursuant to a vote of a majority of at least $66^{2}/_{3}$ per cent. of the outstanding Notes (other than the Class X Detachable Coupon) of each such Class based upon Principal Amount Outstanding.

Primary Servicing Fee, Special Servicing Fees, Liquidation Fee and Workout Fee

Pro-rata on each Note Payment Date, the Delegate Primary Servicer will be entitled to be paid:

(a) a fee (the "**Primary Servicing Fee**") by the Issuer equal to 0.0125 per cent. per annum (plus VAT, if applicable) of the outstanding principal amount of each Loan for as long as such Loan is not designated as a Specially Serviced Loan; and

(b) a fee (the "**Servicer Modification Fee**") in an amount it negotiates with the relevant Borrower provided that:

(i) the receipt of such fee would be consistent with the Servicing Standard;

(ii) such fee can be recovered from the Loan Obligors or any of their affiliates (or from proceeds/collections from the Properties based on the current valuations and the Delegate Primary

Servicer's estimate of income on the Properties) without resulting in any shortfall in other amounts due under the terms of the relevant Loan; and

(iii) the payment of such fee would not result in any shortfall in current interest due on the relevant Loan at its original terms (other than as a result of any reduction in the interest rate of the relevant Loan that is permitted as described herein).

Following any termination of the Delegate Primary Servicer's appointment as Delegate Primary Servicer, the Primary Servicing Fee will be paid to any substitute primary servicer appointed, **provided that** the Primary Servicing Fee may be payable to any substitute servicer at a higher rate agreed in writing by the Issuer (but which does not exceed the rate then commonly charged by providers of loan servicing services in relation to commercial properties). The Issuer will appoint the Representative of the Noteholders to make the relevant determination on its behalf. The Delegate Special Servicer will be entitled *pro-rata* on each Note Payment Date, to be paid by the Issuer:

(a) a recovery fee (the "**Recovery Fee**") equal to 0.06 per cent. per annum (plus VAT, if applicable) of the outstanding principal amount of each Loan which is designated as a Specially Serviced Loan for each day on which such Loan is designated as a Specially Serviced Loan; to remunerate recovery activity. The Special Servicing Fee will accrue on a daily basis over such period and will be payable on each Note Payment Date;

(b) a fee (the "**Special Servicing Fee**") equal to, together with any applicable Recovery Fee, 0.12 per cent. per annum (plus VAT, if applicable) of the outstanding principal amount of each Loan which is designated as a Specially Serviced Loan for each day on which such Loan is designated as a Specially Serviced Loan; to remunerate all special servicing activity (such as management activity) other than recovery activity and activities remunerated by the other fee component below. The Special Servicing Fee will accrue on a daily basis over such period and will be payable on each Note Payment Date (the Recovery Fee, together with the Special Servicing Fee, the "**Special Servicing Fees**");

(c) a liquidation fee (the "**Liquidation Fee**") equal to 0.6 per cent. (plus VAT if applicable) of the proceeds of sale, net of costs and expenses of sale, if any, arising from the sale of any Specially Serviced Loan or any of its Loan Obligors or any part of its Properties (whether directly or indirectly) following the enforcement of the security in respect of the Loan or upon a sale carried out other than by way of enforcement of the security as a result of the activity of the Delegate Special Servicer in accordance with the provisions of the Delegate Servicing Agreement in respect of that Loan, its Loan Obligors or its Properties (such proceeds, "**Liquidation Proceeds**"), **provided that** no Liquidation Fee will be payable in respect of Liquidation Proceeds where (i) any Loan was a Specially Serviced Loan for a period of less than 30 days or (ii) any Loan or any Loan Obligor or any part of the Properties (whether directly or directly) in relation to such Loan is sold to an affiliate of the Delegate Special Servicer or (iii) such Loan is repurchased by the Originator pursuant to the Loan Portfolio Sale Agreement; and

(d) a workout fee (the "**Workout Fee**"), if any Loan which was a Specially Serviced Loan subsequently becomes a Corrected Loan. The Workout Fee will be an amount equal to 0.6 per cent. of each collection of interest and principal received on any Loan for so long as it remains a Corrected Loan (plus VAT if applicable). However, no Workout Fee will be payable if the Special Servicer Transfer Event which gave rise to that Loan becoming a Specially Serviced Loan ceased to exist within 30 days of it becoming a Specially Serviced Loan and no other Special Servicer Transfer Event occurred while such Loan remained a Specially Serviced Loan.

The Primary Servicing Fee and the Special Servicing Fees will cease to secure in relation to any Loan if and from a "**Liquidation Event**" occurs in relation to such Loan.

"**Liquidation Event**" means any of the following events in respect of any Loan:

(a) such Loan is repaid in full; or

(b) a Final Recovery Determination is made with respect to such Loan.

Except as expressly contemplated in the Master Servicing Agreement and the Delegate Servicing Agreement, the Delegate Primary Servicer and the Delegate Special Servicer are not permitted to receive any fee or other remuneration from the Loan Obligors or any related person in connection with their appointment as

servicer in respect of any Loan. This does not affect any fees payable to the Delegate Primary Servicer or the Delegate Special Servicer where such entity is also the Borrower Facility Agent and/or the Borrower Security Agent under a Loan.

The Delegate Primary Servicer and the Delegate Special Servicer have agreed to report the amount of any fee received in connection with their appointment pursuant to the Delegate Servicing Agreement to the Issuer.

Servicing Expenses

Each of the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer are permitted to hire advisors, **provided that** the hiring of such advisor is in accordance with the Servicing Standard and that, upon hiring any such advisor, it does the following:

- notify Noteholders in the next following Investor CREFC Quarterly Report as to the hiring of the advisor; and

- provide information in the Investor CREFC Quarterly Report as to why such advisor has been hired,

provided that the Master Servicer, the Delegate Primary Servicer and Delegate Special Servicer will not be required to provide any details relating to the hiring of such advisor if, in its opinion, it believes that such disclosure could compromise the interests of the Issuer as owner of the Receivables or be inconsistent with the Servicing Standard.

On each Note Payment Date, the Master Servicer, Delegate Primary Servicer and the Delegate Special Servicer will be entitled to be reimbursed (with interest thereon at an annual rate of 1 per cent.) in respect of out-of-pocket costs, expenses and charges (together with applicable VAT thereon) duly documented and properly incurred by them in the performance of their servicing obligations. Such costs and expenses of the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer are payable by the Issuer only. In each case, such costs and expenses are payable (subject to the priority of payments) on such Note Payment Dates following the Loan Interest Period during which they are incurred by the Delegate Primary Servicer or Delegate Special Servicer and without prejudice to any other rights to payment or, in the case of fees, costs and expenses which are paid directly by a Borrower immediately on the date on which such fees, costs and expenses are collected from a Borrower.

Liability of Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer

Neither the Master Servicer, the Delegate Primary Servicer nor the Delegate Special Servicer will be responsible for any loss or liability to the Issuer other than those losses caused by its gross negligence or wilful misconduct. Each of the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer will not be negligent if it takes any action in reliance of advice received from any advisor, **provided that** the Master Servicer, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, was not fraudulent or negligent in its selection of such advisor and was not aware (nor negligent for not being aware) of any conflict of interest that such advisor might have with respect to the advice being provided where such conflict of interest was a likely source of the loss to the Issuer.

Purchase Right of Delegate Primary Servicer

If, at any time, the aggregate Principal Amount Outstanding of the Notes is reduced to an amount equal to less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date then, unless the Issuer otherwise elects to redeem the Notes in full pursuant to Condition 7(c) (*Optional Redemption for Taxation Reasons*), the Delegate Primary Servicer has the assignable option to acquire the Loans from the Issuer for the amount necessary for the Issuer to cause a redemption of the Notes in accordance with Condition 7(b) (*Optional Redemption*) on any Note Payment Date thereafter, subject to the Delegate Primary Servicer, not earlier than 60 days and not later than 30 days prior to such Note Payment Date, having served on the Issuer and the Representative of the Noteholders a written notice notifying them of its intention to so repurchase the Loans. Any purchase by the Delegate Primary Servicer of the Loans in connection with such redemption of the Notes by the Issuer will result in redemption in full of the Notes.

Reporting

Loan Level Report

Four Business Days prior to each Note Payment Date, the Delegate Primary Servicer will be required to deliver to, *inter alios*, the Master Servicer a loan level report (the "**Loan Level Report**"), containing information about loan cashflows (including, without limitation, in respect of principal, interest and any other amounts expected to be received) in respect of the Loan Interest Period ending immediately prior to such Note Payment Date. Upon being reviewed by the Master Servicer, in the framework and within the limits of the Regulatory Services, the Loan Level Report will be delivered by the Master Servicer to the Issuer, the Calculation Agent and the Representative of the Noteholders, three Business Days prior to each Note Payment Date.

Investor CREFC Quarterly Report

In addition to any reports required to be delivered to the Issuer by the Borrowers under the Loan Finance Documents and the Loan Level Report, the Delegate Primary Servicer shall be required to deliver to the Issuer, the Calculation Agent, the Master Servicer, the Delegate Special Servicer and the Representative of the Noteholders (**provided that**, with respect to the CREFC E-IRP Loan Setup File, the Delegate Primary Servicer will, in addition, provide such information prior to the first Note Payment Date), the following reports with respect to each Loan:

(a) "**CREFC E-IRP Loan Setup File**" setting forth, among other things, loan-level information including, cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data;

(b) "**CREFC E-IRP Loan Periodic Update File**" setting forth, among other things, quarterly remittances on the relevant Loan as well as the tracking of both scheduled and unscheduled payments on such Loan;

(c) "**CREFC E-IRP Property File**" setting forth, among other things, information regarding the Properties including, property name, address and identification number; and

(d) "**CREFC E-IRP Delegate Primary Servicer Watchlist Criteria and Delegate Primary Servicer Watchlist File**" setting forth, among other things, details of any event that would cause a loan to be included on the servicer watchlist.

Each of the above reports will provide the required information in respect of the Loan Interest Period immediately preceding the immediately ended Loan Interest Period (in the case of the report indicated under (a) below) or in respect of the immediately ended Loan Interest Period (in the case of the other reports listed above), in each case based on information provided by the Delegate Special Servicer if a Loan is a Specially Serviced Loan.

The reports identified above (together, the "**Investor CREFC Quarterly Report**") will be in the form prescribed in the standard European Investor Reporting Package published by the Commercial Real Estate Finance Council Europe from time to time (formally and commonly known as the CREFC - European Investor Reporting Package (CREFC E-IRP) (or as modified to take into account any changes for properties located in Italy).

The Delegate Primary Servicer will be required to deliver the Investor CREFC Quarterly Report to the Issuer, the Calculation Agent, the Master Servicer, the Delegate Special Servicer, the Representative of the Noteholders and the Rating Agencies within 15 Business Days after a Note Payment Date and will publish it, on the same date, on Bloomberg.

Other Reporting

In addition to the Investor CREFC Quarterly Report, the Delegate Primary Servicer will, within 15 Business Days after a Note Payment Date, report the following additional information on the Loan Portfolio in respect of each Loan Interest Period immediately preceding such Note Payment Date:

(a) the LTV Covenant compliance of the Loans calculated in accordance with the methodologies for determining compliance with the related covenant under the relevant Loan Agreement;

(b) the DSCR covenant compliance of the Loans calculated in accordance with the methodologies for determining compliance with the related covenant under the relevant Loan Agreement;

(c) portfolio summary by region;

(d) portfolio summary by property type;

(e) current and historical property disposals;

(f) the information provided by the Loan Obligors pursuant to the information covenants contained in the Loan Agreements; and

(g) general information in relation to the Loans including cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data,

(such report, the "**Quarterly Investor Report**").

In addition to the Loan Level Report and the Investor CREFC Quarterly Report, the Delegate Primary Servicer will be required to produce and provide to the Issuer, the Calculation Agent, the Master Servicer, the Delegate Special Servicer and the Representative of the Noteholders other reports and additional information (within the possession of the Delegate Primary Servicer or reasonably obtainable by the Delegate Primary Servicer) on each Loan with respect to each Loan Interest Period, with a view to, *inter alia*, enable the Calculation Agent to perform its obligations under Clause 6 (*Duties of the Calculation Agent*) of the Cash Allocation, Management and Payments Agreement.

The Delegate Primary Servicer shall be required to provide the reports referred to in this section, in the case of a Specially Serviced Loan, only subject to the timely receipt of the necessary information from the Delegate Special Servicer.

All reports referred to in this section (with the exception of the Investor CREFC Quarterly Report) shall be in the form agreed from time to time between the Issuer, the Master Servicer, the Delegate Primary Servicer, the Calculation Agent and the Representative of the Noteholders.

Maintenance of Issuer's Records and Statutory Obligations

The Delegate Primary Servicer shall be required to provide to the Issuer, the Master Servicer and the Corporate Servicer any information concerning the Loan Portfolio which is available to the Delegate Primary Servicer and which is required to enable the Issuer to prepare a profit and loss account, balance sheet and directors' report and any other reports or information required under or pursuant to applicable laws or regulations in respect of each statutory accounting reference period of the Issuer and to enable the Issuer to prepare and file all other reports, annual returns, statutory forms and other returns which the Issuer is required under or pursuant to applicable laws or regulations to prepare and file.

Each of the Delegate Primary Servicer and (for so long as the Loan is a Specially Serviced Loan) the Delegate Special Servicer shall be required to keep records, books of account and documents (which may be in electronic form if it so decides) for the Issuer in relation to the Loan.

Each of the Delegate Primary Servicer and (for so long as the Loan is a Specially Serviced Loan) the Delegate Special Servicer shall be required to assist the auditors of the Issuer and provide information in its possession, in its capacity as the servicer of the Receivables, to such auditors upon reasonable request and will allow the auditors of the Issuer and any other person nominated by the Issuer or the Representative of the Noteholders upon reasonable notice to have access to all books of record and account relating to the administration of the Loan Portfolio and related matters.

The Delegate Primary Servicer shall be required to provide to the Issuer any information concerning the books of account maintained by the Delegate Primary Servicer pursuant to the Delegate Servicing Agreement and each of the Delegate Primary Servicer and (for so long as any Loan is a Specially Serviced Loan) the Delegate Special Servicer shall, upon reasonable notice, provide to the Issuer any information concerning any other matter relating to the Issuer for which the Delegate Primary Servicer or for so long as the Loan is a Specially Serviced Loan, the Delegate Special Servicer, as applicable, is responsible under the Delegate Servicing Agreement, which the Issuer informs the Delegate Primary Servicer or for so long as the Loan is a Specially Serviced Loan, the Delegate Special Servicer, as applicable, from time to time is required under or

pursuant to applicable law or which the Issuer may reasonably request to enable the Issuer to comply with its filing obligations under any applicable laws or regulations.

Enforcement of the Loans

The activities described below will be, in all cases, carried out in accordance with, and subject to, applicable laws and regulations and the prerogatives of the Representative of the Noteholders under the Issuer Transaction Documents.

Occurrence of Loan Event of Default

If the Delegate Primary Servicer or if a Loan is a Specially Serviced Loan, the Delegate Special Servicer, with respect to any Specially Serviced Loan, determines, in its discretion (which shall be applied in accordance with the Servicing Standard) that a Loan Event of Default has occurred, the Delegate Primary Servicer or the Delegate Special Servicer (as applicable) will forthwith give notice to the relevant Borrowers and any other party as required under the Loan Finance Documents, with a copy to the Issuer, the Representative of the Noteholders, the Calculation Agent, the Delegate Special Servicer, the Operating Advisor and the Rating Agencies.

Determination of Strategy Upon Loan Event of Default

Each of the Delegate Primary Servicer or, with respect to any Specially Serviced Loan, the Delegate Special Servicer, will determine in accordance with the Servicing Standard, the best strategy for exercising the rights, powers and discretions of the Issuer (including giving instructions to the Borrower Facility Agent and/or the Borrower Security Agent in connection therewith) following the occurrence of a Loan Event of Default and to implement (or instruct implementation of) such strategy in accordance with the Servicing Standard. The Delegate Special Servicer will document its proposed strategy with the delivery of an Asset Status Report.

Final Recovery Determination

As soon as the Delegate Special Servicer makes a Final Recovery Determination with respect to any of the Loans, it will promptly notify the Delegate Primary Servicer, the Issuer, the Representative of the Noteholders, the Operating Advisor and the Calculation Agent of the amount of such Final Recovery Determination. The Delegate Special Servicer shall maintain an accurate record of the Final Recovery Determinations (if any) and the basis of determination thereof.

Excess Recoveries

Each of the Delegate Primary Servicer and the Delegate Special Servicer shall procure that if, after enforcement of the Loan Transaction Security, an amount in excess of all sums due from the Borrowers under the relevant Loan Finance Documents is recovered or received, the balance (after discharge of all such sums) is paid to the persons entitled thereto pursuant to the terms of the Loan Finance Documents.

Liability Considerations with Enforcement

Each of the Master Servicing Agreement and the Delegate Servicing Agreement will provide that the Delegate Primary Servicer and the Delegate Special Servicer will not cause the Issuer, the Borrower Facility Agent or the Borrower Security Agent under the Loans or the Representative of the Noteholders to obtain title to the Properties related thereto (either directly or through a subsidiary) as a result of or *in lieu* of foreclosure or otherwise, and will not otherwise acquire possession of, or take any other action with respect to, any Properties related thereto if, as a result of any such action, the Representative of the Noteholders or the Issuer or the Noteholders would be considered to be an "owner" or "operator" of, the Properties or in any case in such a way as to result in an actual or potential liability of the Issuer.

If the Delegate Special Servicer has determined based on satisfaction of the criteria above that it would maximise recoveries in relation to the relevant Loan for the Issuer as Lender (as determined in accordance with the Servicing Standard) to realise on the security for a Loan or take any other actions described in the immediately preceding paragraph, the Delegate Special Servicer will be required to take such proposed action, to the extent that such action can be taken by the Delegate Special Servicer in accordance with the Servicing Standard and the Issuer Transaction Documents without the need to obtain any approval from any other party.

REO Properties and REO Loans

If the Delegate Special Servicer or an affiliate causes the acquisition of any of the Properties in a structure which effectively (i) separates the interest or control of the existing ownership of the related Borrowers from the relevant Properties and (ii) grants the Delegate Special Servicer control over, and the ability to dispose of, such Properties (in such situation, an "**REO Property**") - provided that the relevant Loan will remain outstanding (in such situation, an "**REO Loan**") and will be reduced only by collections net of expenses and, upon sale of the Properties, net of losses resulting from such sale - the Delegate Special Servicer will be empowered, subject to any specific limitations under applicable law as the activities of the Issuer and prohibitions set forth in the Master Servicing Agreement and the Delegate Servicing Agreement, to do any and all things in connection with the management and operation of such REO Property as are consistent with the Servicing Standard, all on terms and for such period as the Delegate Special Servicer deems to be in the best interest of the Issuer, as Lender.

Sale of REO Properties

The Delegate Special Servicer is required to use efforts consistent with the Servicing Standard to solicit bids for REO Property in such manner as will, with respect to the relevant Loan, be reasonably likely to realise a fair price prior to the Final Maturity Date and no later than three years from acquisition of such REO Property. Such solicitation is required to be made in a commercially reasonable manner. The Delegate Special Servicer is required to accept the highest cash bid received from any person for such REO Property in an amount at least equal to the Loan Purchase Price; provided, however, that in the absence of any such bid, the Delegate Special Servicer must accept the highest cash bid received from any person that is determined by the Delegate Special Servicer to be a fair price for such REO Property based on valuations obtained within the preceding 9 months.

If the Delegate Special Servicer reasonably believes that it will be unable to realise a fair price for any REO Property prior to the Final Maturity Date and no later than three years from acquisition of such REO Property, then the Delegate Special Servicer must dispose of such REO Property upon such terms and conditions as it deems necessary or desirable to maximise the recovery thereon on a net present value basis under the circumstances and, in connection therewith, is required to accept the highest cash bid.

If the highest bidder is an Interested Person, the Representative of the Noteholders will be required to determine the fairness of the highest bid based upon an independent valuation commissioned by the Representative of the Noteholders at the expense of the Issuer. Notwithstanding the foregoing, with respect to any sale other than to an Interested Person, the Delegate Special Servicer will not be obliged to accept the higher cash offer if the Delegate Special Servicer determines, in accordance with the Servicing Standard, that rejection of such offer would be in the best interests of the Issuer as Lender, and the Delegate Special Servicer may accept a lower cash offer (from any person other than an Interested Person) if it determines, in accordance with the Servicing Standard, that acceptance of such offer would be in the best interests of the Issuer, as Lender.

The Delegate Special Servicer may retain an independent contractor to operate and manage any REO Property; however, the retention of an independent contractor will not relieve the Delegate Special Servicer of its obligations with respect to such REO Property. In general, the Delegate Special Servicer or an independent contractor employed by the Delegate Special Servicer at the expense of the Issuer will be obliged to operate and manage any REO Property in a manner that would, to the extent commercially feasible, maximise the Issuer's net after-tax proceeds from such REO Property. After the Delegate Special Servicer reviews the operation of such REO Property and considers the tax reporting position of the REO Property with respect to the income it is anticipated that it would derive from such REO Property, the Delegate Special Servicer could determine that it would not be commercially feasible to manage and operate such REO Property in a manner that would avoid the imposition of a tax on net income from property (an "**REO Tax**").

The determination as to whether income from a REO Property would be subject to an REO Tax will depend on the specific facts and circumstances relating to the management and operation of the REO Property. Any REO Tax or other tax imposed on the REO Property's income from a REO Property would reduce the amount available for distribution to Noteholders.

If any Loan Transaction Security are enforced and any of the Properties are sold, the net proceeds of sale (after payment of the costs and expenses of the sale, including any Liquidation Fees payable in connection therewith) will, together with any amount payable to any Borrower under any related insurance contracts (to the extent such amounts may be applied in repayment of the Loan), be applied against the sums owing from any Borrower to the extent necessary to repay the Loans and related costs.

Sale of a Loan

The Delegate Servicing Agreement will provide that the Delegate Special Servicer (but not the Delegate Primary Servicer) may, acting in the name and on behalf of the Issuer, offer to sell to any person a Loan, if and when any Loan is a Specially Serviced Loan and the Delegate Special Servicer determines, consistent with the Servicing Standard, that such a sale would maximise recoveries in relation to such Loan for the Issuer on a net present value basis in accordance with the Servicing Standard. The Delegate Special Servicer is required to give the Representative of the Noteholders, the Master Servicer, the Operating Advisor and the Issuer not less than 5 Business Days prior written notice of its intention to sell any Loan, in which case the Delegate Special Servicer is required to accept the highest offer received from any person for such Loan in an amount at least equal to the relevant Loan Purchase Price.

In the absence of any such offer for the Specially Serviced Loan at the relevant Loan Purchase Price, the Delegate Special Servicer will be required to determine, in accordance with the Servicing Standard, whether a sale of that Loan would maximise recoveries in relation to such Loan for the Issuer on a net present value basis in accordance with the Servicing Standard.

In making such determination, the Delegate Special Servicer will do the following:

- estimate the net present value of the cashflows and net proceeds for other non-sale strategies for such Loan (each, an "**Alternative Process**"), such as work-out and realisation, appropriately discounting for any estimated costs and expenses for such alternative strategies (for each Alternative Process, the "**Alternative Estimated Proceeds**"); and

- estimate the risk of success of each such realisation on each such Alternative Process as being either "*high risk*", "*medium risk*" or "*low risk*".

Upon estimating the Alternative Estimated Proceeds for each Alternative Process, the Delegate Special Servicer will determine, in accordance with the Servicing Standard, whether the sale of that Loan would maximise recoveries in relation to such Loan for the Issuer on a net present value basis in accordance with the Servicing Standard, taking into account the proceeds from the sale of such Loan as compared to the Alternative Estimated Proceeds for any Alternative Process, the relevant risks for such realisation and any other relevant factors that may be considered by the Delegate Special Servicer.

Any such determination by the Delegate Special Servicer will be binding on all parties. All properly incurred costs and fees of the Delegate Special Servicer or the Operating Advisor in making such determinations will be reimbursable to it by the Issuer. Neither the Representative of the Noteholders (and the Master Servicer, as long as it is the same entity as the Representative of the Noteholders), in its individual capacity, nor any of its affiliates (excluding any Interested Person) may make an offer for or purchase a Loan.

The Delegate Servicing Agreement will not oblige the Delegate Special Servicer to accept the highest offer if the Delegate Special Servicer determines, in accordance with the Servicing Standard, that rejection of such offer would maximise recoveries in relation to any Loan for the Issuer on a net present value basis in accordance with the Servicing Standard. In addition, the Delegate Special Servicer may accept a lower offer if it determines, in accordance with the Servicing Standard, that acceptance of such offer would be in the best interests of Issuer as Lender (for example, if the prospective buyer making the lower offer is more likely to perform its obligations, or the terms offered by the prospective buyer making the lower offer are more favourable).

No sale of any Loan may at any time be made to the Master Servicer (if it is an entity different from the Representative of the Noteholders), including through the Delegate Primary Servicer or the Delegate Special Servicer, any independent contractor engaged by the Delegate Special Servicer, the Operating Advisor or any known affiliate of any of them (any such person, an "**Interested Person**") at less than par plus all other Principal Amount Outstanding under the Loans.

The Delegate Special Servicer may not sell a Loan if it is no longer delinquent because (i) the Special Servicer Transfer Event has ceased in accordance with the subsection entitled "*Servicing Arrangements for the Loans—Servicing of the Loans—Special Servicer Transfer Event*" above, (ii) the defaulted Loan has been subject to a work-out arrangement or (iii) such Loan has otherwise been resolved (including by a full or discounted pay-off, unless the sale of such Loan is made, without limitation, in conjunction with such full or discounted pay-off).

"**Loan Purchase Price**" means, in respect of a Loan, an amount equal to (a) the outstanding principal amount under that Loan together with (b) interest accrued (but not yet payable), up to, but excluding, the date of the sale of such Loan plus (c) the Loan Make-Whole Amount.

"**Loan Make-Whole Amount**" means, in respect of any Loan, the aggregate of:

(a) any Break Costs which would be due to the Lenders from the Loan Obligors in accordance with each Loan Agreement if any Loan was prepaid in full on the date of sale of such Loan;

(b) all other secured obligations owing to the Loan Finance Parties under the Loan Finance Documents which would be due from the Loan Obligors in accordance with the Loan Finance Documents if the any Loan was prepaid in full on the date of sale of such Loan;

(c) all costs and expenses incurred by the Finance Parties in respect of each Loan payable in accordance with each Loan Agreement, together with, without double counting, the amount of all fees, costs and expenses payable by the Finance Parties to the Delegate Primary Servicer or the Delegate Special Servicer in respect of such Loan; and

(d) all fees, costs and expenses payable by the Issuer to any of the parties to the Issuer Transaction Documents (or properly owing to third parties in accordance with the Issuer Transaction Documents) upon the repayment or termination by the Issuer or any such party of the Notes or any Issuer Transaction Document.

If the mortgages are enforced and any of the Properties are sold, the net proceeds of sale (after payment of the costs and expenses of the sale, including any Liquidation Fees and Workout Fees payable in connection therewith) will, together with any amount payable to any Borrower on any related insurance contracts (to the extent such amounts may be applied in repayment of the Loans), be applied against the sums owing from any Borrower to the extent necessary to repay the Loans and related costs.

Termination of Appointment of the Delegate Primary Servicer or Delegate Special Servicer

Termination for Cause of the Appointment of the Delegate Primary Servicer or Delegate Special Servicer.

The following constitute Delegate Primary Servicer or Delegate Special Servicer, as applicable, termination events under the Delegate Servicing Agreement (each, a "**Delegate Primary Servicer Termination Event**" or "**Delegate Special Servicer Termination Event**", as applicable):

(a) provided there are sufficient funds to make such payment, any failure by the Delegate Primary Servicer or Delegate Special Servicer to remit any payment required to be made or remitted by it when required to be remitted under the terms of the Delegate Servicing Agreement by 11:00 a.m., London time, on the first Business Day following the date on which such remittance was required to be made (unless such failure to pay is caused by a failure or error of the banking system and is cured within two Business Days);

(b) any failure by the Delegate Primary Servicer or Delegate Special Servicer to observe or perform in any material respect any other of its covenants or agreements or the material breach of its representations or warranties under the Delegate Servicing Agreement, which failure will continue unremedied for a period of 30 days after the earlier of the date on which (i) it becomes aware of such failure, or (ii) on which written notice of such failure is given to the Delegate Primary Servicer or Delegate Special Servicer, as applicable, by the Representative of the Noteholders or by the Delegate Primary Servicer to the Delegate Special Servicer, as applicable; provided, however, that with respect to any such failure that is not curable within such 30-day period, the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, will have an additional cure period of 30 days to effect such cure so long as it has commenced to cure such failure within the initial 30-day period and has provided the Representative of the Noteholders with an officer's certificate certifying that it has diligently pursued, and is continuing to diligently pursue, such cure;

(c) certain events of bankruptcy, insolvency, administration or similar proceedings and certain actions by, on behalf of or against the Delegate Primary Servicer or Delegate Special Servicer, as applicable, and which has remained in force undischarged or unstayed for a period of 60 days; provided, however, that, with respect to any such decree or order that cannot be discharged, dismissed or stayed within such 60-day period, the Delegate Primary Servicer or the Delegate Special Servicer, as appropriate, will

have an additional period of 30 days to effect such discharge, dismissal or stay so long as it has commenced proceedings to have such decree or order dismissed, discharged or stayed within the initial 60-day period and has diligently pursued, and is continuing to pursue, such discharge, dismissal or stay;

(d) it becomes unlawful for the Delegate Primary Servicer or the Delegate Special Servicer to perform any material part of the services except in circumstances where no other person could perform such material part of the services lawfully; or

(e) the Delegate Primary Servicer or Delegate Special Servicer paying any part of its remuneration under the Delegate Servicing Agreement to any Noteholder in connection with securing its appointment or keeping its appointment as such.

Each of the Delegate Primary Servicer and the Delegate Special Servicer has undertaken to promptly notify the Issuer, the Master Servicer and the Representative of the Noteholders of the occurrence of any event mentioned above relating to itself upon it becoming aware thereof.

Upon the occurrence of any Delegate Primary Servicer Termination Event or Delegate Special Servicer Termination Event, the Issuer, upon receiving a written notice from a responsible officer of the Representative of the Noteholders who has actual knowledge of the same, will post notice of the same in a regulatory information services notice ("**RIS**") in compliance with the procedures of the relevant exchange where the Notes are then currently listed.

Termination without Cause of the Appointment of the Delegate Primary Servicer

The Relevant Classes of Noteholders may at any time in their absolute discretion and for any reason or no reason direct the Issuer to require the Delegate Primary Servicer to resign from its appointment as Delegate Primary Servicer (but, for the avoidance of any doubt, not the Delegate Special Servicer). Any such direction will be validly given if each Class of the Relevant Classes of Noteholders passes an Extraordinary Resolution in accordance with the Conditions to such effect. No such direction to the Delegate Primary Servicer to resign will be effective until a qualified substitute servicer will have been appointed and agreed to be bound by any relevant documents, such appointment to be effective not later than the date of termination. It will also be a condition of such direction to resign becoming effective that such qualified substitute servicer has agreed to pay all of the costs and expenses of each of the parties to the Issuer Transaction Documents relating to such resignation and replacement.

Termination without cause of the Delegate Special Servicer

Upon the Operating Advisor serving a Termination Request concerning the Delegate Special Servicer and the conditions of such termination being met (see section titled "*Controlling Class and Operating Advisor*"), the Master Servicer shall require the Delegate Special Servicer to resign from its appointment.

"**Relevant Classes of Noteholders**" means, at any time, the Controlling Class at such time and each Class of Notes (if any) ranking in point of priority senior thereto but not, for the avoidance of any doubt, any Classes ranking in point of priority subordinate to the Controlling Class at such time.

Rights upon Delegate Primary Servicer Termination Event and Delegate Special Servicer Termination Event; Replacement of Delegate Primary Servicer and Delegate Special Servicer

If a Delegate Primary Servicer Termination Event or Delegate Special Servicer Termination Event occurs then, and in each and every such case, so long as such Delegate Primary Servicer Termination Event or Delegate Special Servicer Termination Event has not been remedied, either

(a) the Issuer and/or Representative of the Noteholders may; or

(b) with respect to any of the following Delegate Primary Servicer Termination Events or Delegate Special Servicer Termination Events:

(i) an event under item (a) thereof, as set forth under "*—Termination of Appointment of the Delegate Primary Servicer or Delegate Special Servicer*" above; or

(ii) any event under item (b) thereof, as set forth under "*—Termination of Appointment of the Delegate Primary Servicer or Delegate Special Servicer*" above that relates to either: (1) the failure of the Delegate Primary Servicer or Delegate Special Servicer, as applicable, to provide the notices it is required to deliver in accordance with the terms of the Delegate Servicing Agreement, or (2) any failure of either the Delegate Primary Servicer or the Delegate Special Servicer to make any calculation required of it pursuant to the terms of the Delegate Servicing Agreement that results in a loss to any Noteholder, if Noteholders of each Class pass an Ordinary Resolution directing the Representative of the Noteholders to do so,

the Representative of the Noteholders will instruct the Issuer to terminate all of the rights and obligations of the Delegate Primary Servicer or Delegate Special Servicer, as applicable, under the Delegate Servicing Agreement, other than rights and obligations accrued prior to such termination, and in and to the Loans and the proceeds of the Loans by notice in writing to the Delegate Primary Servicer or Delegate Special Servicer, as applicable and the Master Servicer.

Upon any termination of the appointment of the Delegate Primary Servicer or Delegate Special Servicer, as applicable, or appointment of a successor to the Delegate Primary Servicer or Delegate Special Servicer, as applicable, the Issuer will, as soon as possible, post written notice of such termination in an RIS in compliance with the procedures for the exchange on which the Notes are then listed.

On the termination of the appointment of the Delegate Primary Servicer or the Delegate Special Servicer, the Issuer will, subject to certain conditions prescribed by the Master Servicing Agreement, delegate the performance of the Primary Services and/or the Special Services to a substitute Delegate Primary Servicer or substitute Delegate Special Servicer, as the case may be.

The appointment of the person then acting as Delegate Special Servicer in relation to a Loan may also be terminated upon the relevant Operating Advisor notifying the Issuer that it requires a replacement Delegate Special Servicer to be appointed subject to the satisfaction of certain conditions. See subsection entitled "*Servicing Arrangements for the Loans—Controlling Class and Operating Advisor*" above.

Each of the Delegate Primary Servicer and the Delegate Special Servicer may resign from its appointment upon not less than three months' notice to each of the Issuer, the Master Servicer, the Borrower Facility Agent, the Representative of the Noteholders, each Borrower Security Agent and the Delegate Primary Servicer or the Delegate Special Servicer (whichever is not purporting to give notice).

No termination of, or resignation from, the appointment of the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, will be effective until a qualified substitute primary servicer or substitute special servicer, as the case may be, approved by the Representative of the Noteholders (such approval not to be unreasonably withheld) and notified in advance to the Rating Agencies will have been appointed and agreed to be bound by any Issuer Transaction Document to which the Delegate Primary Servicer or the Delegate Special Servicer, as applicable, was a party (and substantially in the same form thereon), such appointment to be effective not later than the date of termination.

Note Maturity Plan

If a Loan remains outstanding on the date occurring six months prior to the Final Maturity Date (the "**Note Maturity Plan Trigger Date**") and, in the opinion of the Delegate Special Servicer, all recoveries then anticipated by the Delegate Special Servicer with respect to that Loan (whether by enforcement of the Loan Transaction Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date, the Delegate Special Servicer will within 45 days of the Note Maturity Plan Trigger Date be required to prepare a selection of proposals (the "**Note Maturity Plan**") and present it to the Issuer, the Noteholders and the Representative of the Noteholders relating to the final disposal or other resolution of each Loan, which assumes that the Notes are not repaid on the Final Maturity Date. At least one proposal provided by the Delegate Special Servicer must be that the Representative of the Noteholders, at the cost of the Issuer, will engage an independent financial advisor or a receiver to advise the Representative of the Noteholders on and/or to effect the realisation of the assets of the Issuer for the purposes of redeeming the Notes.

Upon receipt of the Note Maturity Plan, the Representative of the Noteholders will be required to convene a meeting of all Noteholders, at the cost of the Issuer, whereby the Noteholders will have the opportunity to discuss the various proposals contained in the Note Maturity Plan with the Delegate Special Servicer. Following such meeting, the Delegate Special Servicer will have the opportunity to modify the Note Maturity

Plan and will provide a final Note Maturity Plan (the "**Final Note Maturity Plan**") to the Issuer, the Noteholders and the Representative of the Noteholders with a copy to the Rating Agencies.

Upon receipt of the Final Note Maturity Plan, the Representative of the Noteholders will be required to either (at the direction of the Delegate Special Servicer) (i) convene (at the cost of the Issuer) a meeting of the Noteholders of the Most Senior Class of Notes outstanding at which the Noteholders of such Class will be requested to select by way of Ordinary Resolution their preferred option among the proposals set forth in the Final Note Maturity Plan or (ii) request, at the cost of the Issuer, the approval of the holders of the Most Senior Class of Notes of their preferred option among the proposals set forth in the Final Note Maturity Plan by way of Written Ordinary Resolution. The proposal that receives approval of the holders of the Most Senior Class of Notes then outstanding by way of Ordinary Resolution will be implemented. If no proposal receives the approval of the holders of the Most Senior Class of Notes then outstanding by way of Ordinary Resolution at such meeting or Written Ordinary Resolution, as applicable, then the Representative of the Noteholders will be deemed to be directed by all the Noteholders to realise the secured assets of the Issuer pursuant to the Issuer Security Documents.

General

Neither the Master Servicer, the Delegate Primary Servicer nor the Delegate Special Servicer will be liable for any obligation of any Borrower or any other Loan Obligors under a Loan Agreement or the Loan Transaction Security, have any liability for the obligations of the Issuer under the Notes or of the Issuer under documents to which it is a party or have any liability for the failure by the Issuer to make any payment due by it under the Notes or any documents to which it is a party save as expressly provided under the Master Servicing Agreement or the Delegate Servicing Agreement (as the case may be).

THE ISSUER ACCOUNTS STRUCTURE

The Issuer has opened and, subject to the terms of the Issuer Transaction Documents, will at all times maintain the following accounts:

Issuer Collection Account

The "**Issuer Collection Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: DE79500700100924895600, Account number: 732241-01), as the same may be renumbered or redesignated from time to time, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Issuer Collection Account:

Any collections received from each Borrower under or in relation to the Loan Portfolio, any amounts received or recovered by the Issuer or on its behalf, under or in relation to the Loan Portfolio.

Out of the Issuer Collection Account:

Any amounts standing to the credit of the Issuer Collection Account (other than the Interest Consideration) to make Issuer Priority Payments (if necessary pursuant to Clause 7.3 (*Issuer Priority Payments*) of the Intercreditor Agreement) and to the Issuer Payments Account, on the relevant Note Payment Date.

Amounts corresponding to the Interest Consideration will be paid to the Originator promptly upon receipt.

Issuer Payments Account

"**Issuer Payments Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: DE79500700100924895600, Account number: 732241-02) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Issuer Payments Account:

(a) On the Closing Date, the net proceeds of the issue of the Notes;

(b) Any amount received under the Issuer Transaction Documents that are not expressed to be paid to a different account; and

(c) The balance transferred from the Issuer Collection Account and related to the immediately preceding Loan Interest Period on each Note Payment Date.

Out of the Issuer Payments Account:

(a) On the Closing Date, to fund the Liquidation Reserve Retention Amount and the Issuer Expenses Account Retention Amount, each as set out in the relevant Issuer Transaction Documents (see the section entitled "*Use of Proceeds*");

(b) On each Note Payment Date, to make payments to the account specified for such purpose by the Paying Agent, in relation to payments to the Noteholders through the Monte Titoli system in accordance with the applicable Priority of Payments and the relevant Calculation Agent Quarterly Report;

(c) On each Note Payment Date, to make payments to the Other Issuer Secured Creditors in accordance with the applicable Priority of Payments and the relevant Calculation Agent Quarterly Report;

(d) On each Note Payment Date, in accordance with the applicable Priority of Payments, to transfer the amounts necessary to replenish the Issuer Expenses Account up to the Issuer Expenses Account Retention Amount; and

(e) On each Note Payment Date, in accordance with the applicable Priority of Payments, to pay any amounts payable to the Class X Detachable Coupon Holder.

Liquidation Reserve Account

"**Liquidation Reserve Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN:DE79500700100924895600, Account number: 732241-03), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Liquidation Reserve Account:

On the Closing Date, to credit an amount equal to the "**Liquidation Reserve Retention Amount**" (such amount being equal to €50,000).

Out of the Liquidation Reserve Account:

Following repayment of the Notes in full, to make payment of any costs and expenses incurred in connection with the liquidation of the Issuer and, if any surplus funds which are not required by the Issuer to discharge fees, costs and expenses incurred, or to be incurred, by the Issuer in connection with its liquidation, to be paid to the Originator as deferred consideration.

The Issuer Stand-by Account

"**Issuer Stand-by Account**" means the euro denominated account which may be established in the name of the Issuer or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

Quota Capital Account

"**Quota Capital Account**" means the euro denominated account established in the name of the Issuer with Deutsche Bank S.p.A. (IBAN: IT21W0310401604000000), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement. Payments owed by the Issuer from time to time to Monte Titoli, in connection with the Monte Titoli Mandate Agreement, shall be transferred by the Corporate Servicer from the Issuer Expenses Account to the Quota Capital Account in time for the relevant payments to be made, and will be made out of the Quota Capital Account at the direction of the Corporate Servicer.

Issuer Expenses Account

"**Issuer Expenses Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: DE79500700100924895600, Account number: 732241-05), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

Into the Issuer Expenses Account

On the Closing Date, to credit an amount equal to the "**Issuer Expenses Account Retention Amount**" (such amount being equal to €50,000) and each Note Payment Date, an amount to bring the balance of the Issuer Expenses Account up to (but not in excess of) the Issuer Expenses Account Retention Amount in accordance with the Priority of Payments.

Out of the Issuer Expenses Account

Amounts standing to the credit of the Issuer Expenses Account may be applied by the Corporate Servicer to pay any Issuer Expenses when due and payable and to make any other Issuer Priority Payments (if necessary pursuant to Clause 7.3 (*Issuer Priority Payments*) of the Intercreditor Agreement). The Corporate Servicer shall direct amounts to be paid from time to time to Monte Titoli, in connection with the Monte Titoli Mandate Agreement, to be transferred from the Issuer Expenses Account to the Quota Capital Account in time for the relevant payments to be made.

WEIGHTED AVERAGE LIFE OF THE NOTES

The yield to maturity on any Class of Notes will depend upon the price paid by the Noteholders, the interest rate thereof from time to time, the rate and timing of the distributions in reduction of the Principal Amount Outstanding of such Class and the rate, timing and severity of losses on the Loan Portfolio, as well as prevailing interest rates at the time of payment or loss realisation.

The distributions of principal that Noteholders receive in respect of the Notes are derived from principal repayments on the Loan Portfolio.

The rate of distributions of principal in reduction of the Principal Amount Outstanding of any Class of Notes, the aggregate amount of distributions in principal on any Class of Notes and the yield to maturity on any Class of Notes will be directly related to the rate of payments of principal on the Loan Portfolio, the amount and timing of Borrower defaults and the severity of losses occurring upon a default.

Losses with respect to the Loan Portfolio may occur in connection with a default on a Loan and/or the liquidation of all or part of the Properties.

Noteholders will only receive distributions of principal or interest when due to the extent that the related payments under the Issuer Assets are actually received. Consequently, any defaulted payment, will, to the extent of the principal portion thereof, tend to extend the weighted average lives of the Notes. "**Issuer Assets**" means the Loan Portfolio and the related Loan Transaction Security and interest of the Issuer, as beneficiary, in respect of the relevant Loan Transaction Security and all monies derived therefrom from time to time, held by the Issuer on, or at any time following, the Closing Date.

The rate of payments (including voluntary and involuntary prepayments) on the Loan Portfolio is influenced by a variety of economic, geographic, social and other factors, including the level of interest rates, the amount of prior refinancing effected by the Borrowers and the rate at which the Borrowers default on the Loans. The terms of the Loan Portfolio and, in particular, the extent to which any Borrower is entitled to prepay its Loan, the ability of the Borrowers to realise income from the Properties in excess of that required to meet scheduled payments of interest on its respective Loan, the obligation of the Borrowers to ensure that certain debt service coverage tests are met as a condition to the disposal of the Properties, the risk of compulsory purchase of the Properties and the risk that payments by the Borrowers may become subject to Loan Tax or result in an increased cost for the Issuer may affect the rate of principal payments on the Loan Portfolio and, consequently, the yield to maturity of the Classes of Notes. "**Loan Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of them).

The timing of changes in the rate of prepayment on the Loan Portfolio may significantly affect the actual yield to maturity experienced by an investor, even if the average rate of principal payments experienced over time is consistent with such investor's expectation. In general, the earlier a prepayment of principal on the Loan Portfolio, the greater the effect on such investor's yield to maturity. As a result, the effect on such investor's yield of principal payments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the Notes would not be fully offset by a subsequent like reduction (or increase) in the rate of principal payments.

No representation is made as to the rate of principal payments on the Loan Portfolio or as to the yield to maturity of any Class of Notes. An investor is urged to make an investment decision with respect to any Class of Notes based on the anticipated yield to maturity of such Class of Notes resulting from its purchase price and such investor's own determination as to anticipated prepayment rates in respect of the Loan Portfolio under a variety of scenarios. The extent to which any Class of Notes is purchased at a discount or a premium and the degree to which the timing of payments on such Class of Notes is sensitive to prepayments will determine the extent to which the yield to maturity of such Class of Notes may vary from the anticipated yield. An investor should carefully consider the associated risks, including, in the case of any Notes purchased at a discount, the risk that a slower than anticipated rate of principal payments on the Loan Portfolio could result in an actual yield to such investor that is lower than the anticipated yield and, in the case of any Notes purchased at a premium, the risk that a faster than anticipated rate of principal payments could result in an actual yield to such investor that is lower than the anticipated yield.

An investor should consider the risk that rapid rates of prepayments on the Loan Portfolio, and therefore of amounts distributable in reduction of the principal balance of the Notes may coincide with periods of low

prevailing interest rates. During such periods, the effective interest rates on securities in which an investor may choose to reinvest such amounts distributed to it may be lower than the applicable rate of interest on the Notes. Conversely, slower rates of prepayments on the Loan Portfolio, and therefore, of amounts distributable in reduction of the principal balance of the Notes entitled to distributions of principal, may coincide with periods of high prevailing interest rates.

During such periods, the amount of principal distributions resulting from prepayments available to an investor in Notes for reinvestment at such high prevailing interest rates may be relatively small.

Weighted Average Life of the Notes

The weighted average life of a Note refers to the average amount of time that will elapse from the date of its issuance until each euro allocable to principal of such Note is distributed to the investor. For the purposes of this Offering Circular, the weighted average life of a Note is determined by (a) multiplying the amount of each principal distribution thereon by the number of years from the Closing Date to the related Note Payment Date (b) summing the results and (c) dividing the sum by the aggregate amount of the reductions in the Principal Amount Outstanding of such Note. Accordingly, the weighted average life of any such Note will be influenced by, among other things, the rate at which principal of each Loan is repaid or otherwise collected or advanced and the extent to which such payments, collections or advances of principal are in turn applied in reduction of the Principal Amount Outstanding of the Class of Notes to which such Note belongs.

For the purposes of preparing the following tables, it was assumed that:

(a) All principal is paid pro rata and no principal prepayments are made from the relevant Cash Trap Account;

(b) In no scenario is there a Loan Event of Default;

(c) Euribor is constant at 0.22 per cent.;

(d) There are no delinquencies or losses in respect of any of the Loans;

(e) Other than assumed in the scenarios, there are no prepayments on any Loan;

(f) The Closing Date is 25 January 2015;

(g) The First Note Payment Date is 25 May 2015;

(h) The weighted average lives of the Note have been calculated on a 30/360 basis;

(i) In Scenario 1, the amortisation of the Calvino Loan is in accordance with the Calvino Business Plan provided by the Sponsor; and

(j) In Scenario 2, the amortisation of the Calvino Loan is such that the Calvino Target Loan Amount is adhered to.

Based on the modelling assumptions the following table indicates the resulting weighted average lives of the Class A Notes, the Class B Notes, Class C Notes and Class D Notes.

Weighted Average Life of each Class of Notes for each Designated Scenario

	Scheduled Amort/Calvino Business Plan	Schedule Amort/Calvino Target Loan Amount
A	3.9	4.3
B	3.9	4.3
C	3.9	4.3
D	3.9	4.3

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes. In these Conditions, references to the "holder" of a Note and to the "Noteholders" are to the ultimate owners of the Notes. The Notes will be held in dematerialised form and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-bis of the Italian legislative decree *number 58 of 24 February 1998 (the "**Financial Act**") and (ii) the regulation issued by Bank of Italy and CONSOB on 22 February 2008 as subsequently amended on 24 December 2010* ("***Joint Regulation***") *(each as subsequently amended and supplemented from time to time). The Noteholders are deemed to have notice of and are bound by, and will have the benefit of, inter alia, the terms of the Rules, attached as an "Exhibit" to, and forming part of, these Conditions.*

The €206,000,000 Class A Commercial Mortgage Backed Notes due 2027 (the "**Class A Notes**"), with the Class X Commercial Mortgage Backed Detachable Coupon (the "**Class X Detachable Coupon**"), the €23,000,000 Class B Commercial Mortgage Backed Notes due 2027 (the "**Class B Notes**"), the €34,250,000 Class C Commercial Mortgage Backed Notes due 2027 (the "**Class C Notes**" and the €23,175,000 Class D Commercial Mortgage Backed Notes due 2027 (the "**Class D Notes**" and, together with the Class A Notes, the Class X Detachable Coupon, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**") have been issued by the Issuer on the Closing Date pursuant to the Securitisation Law to finance the purchase of the Loan Portfolio from the Originator pursuant to the Loan Portfolio Sale Agreement. The principle source of payment of interest and repayment of principal due and payable in respect of the Notes will be collections and recoveries made in respect of each Loan.

Any reference in these Conditions to a "**Class**" of Notes or Noteholders will be a reference to any, or all of, the respective Class A Notes, Class B Notes, Class C Notes and Class D Notes and Class X Detachable Coupon, or any, or all of, their respective holders, as the case may be.

1. INTRODUCTION

(a) **Noteholders deemed to have Notice of Issuer Transaction Documents**

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of, the Issuer Transaction Documents (described below).

(b) **Provisions of Conditions subject to Issuer Transaction Documents**

Certain provisions of these Conditions include summaries of, and are subject to, the detailed provisions of the Issuer Transaction Documents.

(c) **Copies of Issuer Transaction Documents Available for Inspection**

Copies of the Issuer Transaction Documents (other than the Subscription Agreement) are available for inspection by the Noteholders during normal business hours at the registered office of the Issuer, being as at the Closing Date, Via Gustavo Fara, 26, 20124 Milan, Italy at the registered office of the Representative of the Noteholders, being, as at the Closing Date, Via Gustavo Fara, 26, 20124 Milan, Italy and on the website of the Paying Agent, being, as at the Closing Date, www.usbank.com/abs.

(d) **Description of Issuer Transaction Documents**

(i) Pursuant to the Subscription Agreement, the Lead Manager has agreed to subscribe for the Notes.

(ii) Pursuant to the Master Servicing Agreement and the Delegate Servicing Agreement, the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer have agreed to administer, service and recover amounts in respect of, each Loan on behalf of the Issuer. The Master Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that the Securitisation comply with the provisions of the Securitisation Law and of the prospectus issued by the Issuer in the framework of the issue of the Notes.

(iii) Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

(iv) Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent, the Paying Agent, the Issuer Account Bank, the Master Servicer, the Delegate Primary Servicer and the Corporate Servicer have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys from time to time standing to the credit of the Issuer Accounts. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of principal and interest in respect of the Notes.

(v) Pursuant to the Monte Titoli Mandate Agreement, Monte Titoli has agreed to provide the Issuer with certain depository and administration services in relation to the Notes.

(vi) Pursuant to the Intercreditor Agreement, provision is made as to the order of priority in respect of the application of the Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Issuer Security in accordance with the terms of the Issuer Transaction Documents. Pursuant to the Intercreditor Agreement, the Lead Manager has appointed the Representative of the Noteholders to perform the activities described in the Intercreditor Agreement, these Conditions, the Rules and the other Issuer Transaction Documents. Also pursuant to the Intercreditor Agreement, provision is made for the Other Issuer Secured Creditors to (i) appoint the Representative of the Noteholders as their agent (*mandatario con rappresentanza*); and (ii) acknowledge the rights and obligations of the Issuer and the Representative of the Noteholders under the Conditions, the Rules and the Issuer Transaction Documents. Following: (i) the occurrence of a Note Event of Default; (ii) the service of a Note Enforcement Notice by the Representative of the Noteholders upon the Issuer; or (iii) subject to the fulfilment of certain conditions, failure by the Issuer to exercise its rights under the Issuer Transaction Documents, the Representative of the Noteholders is authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Issuer Transaction Documents.

(vii) Pursuant to the Pledge Agreement, the Issuer has pledged, in favour of the Representative of the Noteholders, for itself and as agent (*mandatario con rappresentanza*) of the Noteholders and the Other Issuer Secured Creditors, all monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, compensation for damages, penalties, credit rights and guarantees) to which it is entitled pursuant or in relation to certain Issuer Transaction Documents.

(viii) Pursuant to the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to grant a facility to the Issuer in order to make good any Interest Shortfall, Expenses Shortfall or Property Protection Shortfall.

(ix) Pursuant to the English Security Agreement, the Issuer has assigned, by way of first fixed security, in favour of the Representative of the Noteholders as trustee for the Noteholders and the Other Issuer Secured Creditors, all of its right, title and interest in the Liquidity Facility Agreement and all amounts payable to it from time to time pursuant to the Liquidity Facility Agreement. In addition, the Issuer has charged all claims in and all sums of money or securities which are from time to time and at any time standing to the credit of the Issuer Accounts and any other bank, securities or other account opened and maintained in England and Wales and in which the Issuer may at any time acquire any claim or otherwise place and hold its cash or securities, resources, in each case in the context of the Securitisation, and in the funds or securities from time to time standing to the credit of such accounts and in the debts represented thereby. Furthermore, the Issuer will charge all claims in and to all Eligible Investments made by or on behalf of the Issuer using monies standing to the credit of the Issuer Stand-by Account which can be subject to English law security.

(x) Pursuant to the Quotaholder Agreement, certain rules have been set out in relation to the corporate management of the Issuer.

(xi) Pursuant to the Master Definitions and Construction Schedule, the definitions and interpretations of certain terms and expressions used in the Issuer Transaction Documents have been agreed by the parties to the Issuer Transaction Documents.

(e) **Acknowledgement**

Each Noteholder, by reason of holding Notes, acknowledges and agrees that the Lead Manager will not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by Zenith Service S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Issuer Transaction Documents.

(f) **Defined Terms and Construction**

Capitalised terms used and not otherwise defined in these Conditions will have the meanings given to them in the Master Definitions and Construction Schedule, dated the Closing Date (as the same may be amended, restated, modified, novated, varied and supplemented from time to time). These Conditions will be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

2. FORM, TITLE AND DENOMINATION

(a) **Denomination**

The Notes (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) are issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

(b) **Form**

The Notes are issued in dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Act and (ii) the Joint Regulation, each as amended and supplemented from time to time.

(c) **Title and Monte Titoli**

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holders. No physical documents of title will be issued in respect of the Notes.

(d) **The Rules**

The rights and powers of the Noteholders may only be exercised in accordance with the Rules attached to these Conditions as an Exhibit which will constitute an integral and essential part of these Conditions.

(e) **Rights under the Pledge Agreement and the English Security Agreement**

The rights arising from the Pledge Agreement and the English Security Agreement are incorporated in each of the Notes and are transferred together with each Note at the time of the relevant transfer and each Noteholder (from time to time) will have the benefit of such rights.

3. STATUS, PRIORITY AND SEGREGATION

(a) **Status**

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of each Loan and pursuant to the exercise of the Issuer's rights under the Issuer Transaction Documents, as further specified in Condition 8(b) (*Limited Recourse Obligations of Issuer*). The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" (aleatory agreement) under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Civil Code.

(b) **Segregation by Law and Security**

By virtue of the Securitisation Law, the Issuer's right, title and interest in and to the Loan Portfolio is segregated from all other assets of the Issuer and from any other securitisation transaction carried out by the Issuer and any amount deriving therefrom will only be available both before and after a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Secured Creditors and to any Connected Third Party Creditor of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation, subject to the applicable Priority of Payments. The Notes have the benefit of the Issuer Security over certain assets of the Issuer pursuant to the Pledge Agreement and the English Security Agreement.

(c) **Ranking**

(i) Prior to: (i) the delivery of a Note Enforcement Notice or, (ii) the occurrence of an Insolvency Event in relation to the Issuer or, (iii) the occurrence of a Class X Trigger Event:

(a) payments of interest on the Class A Notes, including with respect to the Class X Interest Amount, will rank *pari passu* and *pro rata* without preference or priority amongst themselves but will rank at all times in priority to payments of interest on the Class B Notes, Class C Notes and the Class D Notes;

(b) payments of interest on the Class B Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves but subordinate to the payments of interest on the Class A Notes and including with respect to the Class X Interest Amount, but in priority to the payment of interest on the Class C Notes and the Class D Notes;

(c) payments of interest on the Class C Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves but subordinate to the payments of interest on the Class A Notes, including with respect to the Class X Interest Amount, and payments of interest on the Class B Notes but in priority to the payment of interest on the Class D Notes; and

(d) payments of interest on the Class D Notes will rank *pari passu* and *pro rata* without preference or priority amongst themselves but subordinate to the payments of interest on the Class A Notes, including with respect to the Class X Interest Amount, and payments of interest on the Class B Notes and the Class C Notes.

(ii) Following the occurrence of a Class X Trigger Event, but prior to the delivery of a Note Enforcement Notice or the occurrence of an Insolvency Event in relation to the Issuer:

(a) payments of interest on the Class A Notes (other than with respect to the Class X Detachable Coupon) will rank *pari passu* without preference or priority amongst themselves but will rank at all times in priority to payments of interest on the Class B Notes, the Class C Notes and the Class D Notes and payments of the Subordinated Class X Amount;

(b) payments of interest on the Class B Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of interest on the Class A Notes (other than with respect to the Class X Detachable Coupon) but in priority to the payment of interest on the Class C Notes and the Class D Notes and payments of the Subordinated Class X Amount;

(c) payments of interest on the Class C Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of interest on the Class A Notes (other than with respect to the Class X Detachable Coupon) and Class B Notes, but in priority to the payment of interest on the Class D Notes and payments of the Subordinated Class X Amount;

(d) payments of interest on the Class D Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of interest on the Class A Notes (other than with respect to the Class X Detachable Coupon), Class B Notes and Class C Notes, but in priority to payments of the Subordinated Class X Amount; and

(e) payments of the Subordinated Class X Amount will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of interest on the Class A Notes (other than with respect to the Class X Detachable Coupon), the Class B Notes, the Class C Notes and the Class D Notes.

(iii) Prior to the occurrence of a Sequential Payment Trigger, the Notes will rank *pari passu* and payments will be made in accordance with the principal allocation formulas set out in Condition 7(e) (*Calculation of Principal Payment Amount*);

(iv) Following the occurrence of a Sequential Payment Trigger or with regard to any Cash Trap Principal (which will be applied sequentially, further to any *pari passu* redemption on principal of the Notes on the relevant date):

(a) payments of principal of the Class A Notes will rank *pari passu* without preference or priority amongst themselves but will rank at all times in priority to payments of principal of the Class B Notes, the Class C Notes and the Class D Notes;

(b) payments of principal of the Class B Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of principal of the Class A Notes but in priority to the payment of principal of the Class C Notes and the Class D Notes;

(c) payments of principal of the Class C Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of principal of the Class A Notes and Class B Notes, but in priority to the payment of principal of the Class D Notes; and

(d) payments of principal of the Class D Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of principal of the Class A Notes, Class B Notes and Class C Notes.

(v) Following the delivery of a Note Enforcement Notice or the occurrence of an Insolvency Event in relation to the Issuer:

(a) payments of interest and principal on the Class A Notes (other than with respect to the Class X Detachable Coupon) will rank *pari passu* without preference or priority amongst themselves but in priority to payments of interest and principal on the Class B Notes, the Class C Notes and the Class D Notes and payments of the Subordinated Class X Amount;

(b) payments of interest and principal on the Class B Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of interest and principal on the Class A Notes (other than with respect to the Class X Detachable Coupon), but in priority to the payments of interest and principal on the Class C Notes and the Class D Notes and payments of the Subordinated Class X Amount;

(c) payments of interest and principal on the Class C Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of interest and principal on the Class A Notes (other than with respect to the Class X Detachable Coupon) and the Class B Notes, but in priority to the payments of interest and principal of the Class D Notes and payments of the Subordinated Class X Amount;

(d) payments of interest and principal on the Class D Notes will rank *pari passu* without preference or priority amongst themselves but subordinate to the payments of interest and principal on the Class A Notes (other than with respect to the Class X Detachable Coupon), the Class B Notes and the Class C Notes, but in priority to payments of the Subordinated Class X Amount; and

(e) payment of the Subordinated Class X Amount will rank subordinate to the payments of interest and principal on the Class A Notes (other than with respect to the Class X Detachable Coupon), the Class B Notes, the Class C Notes and the Class D Notes.

(d) **Obligations of Issuer Only**

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

4. ISSUER COVENANTS

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer will, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in any of the Issuer Transaction Documents:

(a) **Negative Pledge**

Not create or permit to subsist any security interest whatsoever over the Loan Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of a Loan or any of its assets.

(b) **Restrictions on Activities**

(i) Not engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, or with any of the activities in which the Issuer Transaction Documents provide or envisage that the Issuer will engage; or

(ii) not have any subsidiary (*società controllata* as defined in article 2359 of the Civil Code) or any employees or premises; or

(iii) not do, or permit to be done, any act or thing at any time or approve, agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Issuer Transaction Documents; or

(iv) not become the owner of any real estate asset, including in the context of enforcement proceedings relating to each Property.

(c) **Dividends or Distributions**

Not pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholder, or increase its capital, save as required by applicable law.

(d) **De-registrations**

Not ask for de-registration from the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy under article 4 of the Bank of Italy's regulation dated1 October 2014, for as long as the Securitisation Law, the Italian legislative decree number 385 of 1 September 1993, as amended and supplemented from time to time, and its implementing regulations (the "**Banking Act**"). or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon.

(e) **Borrowings**

Not incur any indebtedness in respect of borrowed money whatsoever (including by way of further note issuances), or give any guarantee, indemnity or security in respect of any indebtedness or other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others.

(f) **Merger**

Not consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity.

(g) **No Variation or Waiver**

Not permit any of the Issuer Transaction Documents to become invalid or ineffective, or the priority of the security interests created thereby to be reduced, amended, terminated, postponed or discharged, or

consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of the Pledge Agreement, these Conditions, the Issuer Security Documents or any of the other Issuer Transaction Documents, or permit any party to any of the Issuer Transaction Documents or any and all moneys, obligations and liabilities and all other amounts due, owing, payable or owed by the Issuer to the Issuer Secured Creditors under the Notes and the Issuer Transaction Documents (the "**Secured Obligations**") (as applicable) or any other person whose obligations form part of the Secured Obligations (as applicable) to be released from such obligations or dispose of all or any part of the Secured Obligations (as applicable).

Not permit any Issuer Transaction Document to be to be amended, supplemented or otherwise modified except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities.

(h) **Bank Accounts**

Not have an interest in any bank account other than the Issuer Accounts, the Quota Capital Account and any other bank account opened pursuant to the terms of the Issuer Transaction Documents.

(i) **Statutory Documents**

Not amend, supplement or otherwise modify its by-laws (*statuto*) or deed of incorporation (*atto costitutivo)* except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities.

(j) **Corporate Records, Financial Statements and Books of Account**

Not cease to maintain corporate records, financial statements and books of account separate from those of the Originator and any other person or entity.

(k) **U.S. Activities**

Not engage, or permit any of its affiliates, to engage, in any activities in the United States (directly or through agents), derive, or permit any of its affiliates to derive, any income from sources within the United States as determined under United States federal income tax principles, and hold, or permit any of its affiliates to hold, any property that would cause it or any of its affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States federal income tax principles.

(l) **Independent Directors**

Ensure that at all times all of its directors act independently of any of its creditors or their respective affiliates, other than the Corporate Servicer.

(m) **Separate Records and Accounts**

Maintain its records, books of account and bank accounts separate and apart from any other person or entity and maintain such books and records in the ordinary course of its business.

(n) **Separate Identity**

(i) Correct any known misunderstandings regarding its separate identity from any of its members, general partners, principals or affiliates thereof or any other person;

(ii) not fail to hold itself out to the public as a legal entity separate and distinct from any other person; conduct its business solely in its own name; not mislead any party as to the identity with which such party is transacting business; not become responsible for, guarantee, or become obliged to pay the debts of any other third party (including any of its members, general partners, principals or affiliates thereof) or hold out credit as available to satisfy the obligations of others; not fail to pay its own liabilities out of its funds;

(iii) not have its assets listed on the accounts or financial statements of any other entity; and

(iv) not commingle its assets with those of any other person or entity.

(o) **Centre of Main Interest - No Branch outside the Republic of Italy**

Move its "centre of main interest" or "COMI" (within the meaning of European Council Regulation (EC) No. 1346/2000 on insolvency proceedings) outside the Republic of Italy or open any "centre of main interest", branch, office or establishment (as the latter term is defined in Article 2(h) of European Council Regulation (EC) No. 1346/2000) outside the Republic of Italy.

5. PRIORITY OF PAYMENTS

(a) **Pre-Note Enforcement Notice Priority of Payments**

Prior to the delivery of a Note Enforcement Notice or the occurrence of an Insolvency Event in relation to the Issuer, on each Note Payment Date, the Calculation Agent will apply Issuer Available Funds, as determined on the immediately preceding Calculation Date, in the manner and order of priority set out below (the "**Pre-Note Enforcement Notice Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(i) *First*, in or towards satisfaction of or in or towards allocation for payment during the then current Note Interest Period, *pari passu* and *pro rata* according to the respective amounts thereof (A) any Issuer Expenses; (B) any third party fees and expenses payable by the Issuer as permitted under the Issuer Transaction Documents including but not limited to taxes and fees due to auditors, tax advisors and legal counsel of the Issuer and (C) any outstanding Issuer Priority Payments;

(ii) *Second*, in or towards satisfaction of fees, expenses and all other amounts due to the Representative of the Noteholders (and its appointees (if any));

(iii) *Third*, to credit to the Issuer Expenses Account such an amount as will bring the balance of such account up to but not in excess of the Issuer Expenses Account Retention Amount;

(iv) *Fourth*, in or towards satisfaction of, *pari passu* and *pro rata* according to the respective amounts thereof, fees, expenses and all other amounts due and payable to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer;

(v) *Fifth*, in or towards satisfaction of any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(vi) *Sixth*, in or towards satisfaction of, *pari passu* and *pro rata*, all amounts of interest due and payable on the Class A Notes (other than with respect to the Class X Detachable Coupon) and, prior to a Class X Trigger Event, the Class X Interest Amount;

(vii) *Seventh*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such Class of Notes and (ii) the lesser of (A) the Class A Principal Payment Amount due and payable and (B) the Principal Amount Outstanding of the Class A Notes;

(viii) *Eighth*, in or towards satisfaction of, *pro rata,* all amounts of interest due and payable on the Class B Notes on such Note Payment Date;

(ix) *Ninth*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such Class of Notes and (ii) the lesser of (A) the Class B Principal Payment Amount due and payable and (B) the Principal Amount Outstanding of the Class B Notes;

(x) *Tenth*, in or towards satisfaction of, *pro rata*, all amounts of interest due and payable on the Class C Notes on such Note Payment Date;

(xi) *Eleventh*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such Class of Notes and (ii) the lesser of (A) the Class C Principal Payment Amount due and payable and (B) the Principal Amount Outstanding of the Class C Notes;

(xii) *Twelfth*, in or towards satisfaction of, *pro rata*, all amounts of interest due and payable on the Class D Notes on such Note Payment Date;

(xiii) *Thirteenth*, in or towards satisfaction of, *pro rata*, (i) the Note Prepayment Fees allocated to such Class of Notes and (ii) the lesser of (A) the Class D Principal Payment Amount due and payable and (B) the Principal Amount Outstanding of the Class D Notes;

(xiv) *Fourteenth*, in or towards satisfaction of, *pari passu* and *pro rata*, the Note Extension Fee allocated to each Class of Notes (other than the Class X Detachable Coupon);

(xv) *Fifteenth*, in or towards satisfaction of any Liquidity Subordinated Amounts;

(xvi) *Sixteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class A Notes;

(xvii) *Seventeenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class B Notes;

(xviii) *Eighteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class C Notes;

(xix) *Nineteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class D Notes;

(xx) *Twentieth*, following the occurrence of a Class X Trigger Event, in or towards satisfaction of an amount up to the applicable Subordinated Class X Amount;

(xxi) *Twenty-first*, in or towards satisfaction of indemnity amounts due to the Lead Manager and/or the Sole Arranger under the Subscription Agreement, if any; and

(xxii) *Twenty-second*, in or towards satisfaction of (A) any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator and (B) any other amount payable to the Originator under any other Issuer Transaction Document,

provided that any Liquidity Drawings (other than Temporary Drawings, if any) will not be made available to make any payments other than those up to (and including) interest on the Class A Notes excluding payment of interest on the Class X Detachable Coupon (subject to any Expenses Shortfall and any Property Protection Shortfall).

"**Connected Third Party Creditor**" means any third party creditor of the Issuer including, without limitation, any tax authority, and any listing agent, stock exchange or rating agency, other than the Noteholders and the Other Issuer Secured Creditors.

"**Issuer Expenses**" means any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Secured Creditors) arising in connection with the Securitisation or in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws.

(b) **Post-Note Enforcement Notice Priority of Payments**

Following the delivery of a Note Enforcement Notice or the occurrence of an Insolvency Event in relation to the Issuer and in case of optional redemption in the circumstance provided for under Condition 7(b) (*Optional Redemption*) and Condition 7(c) (*Optional Redemption for Taxation Reasons*) on each Note Payment Date, the Representative of the Noteholders will apply Issuer Available Funds, as determined on the immediately preceding Calculation Date, in the manner and order of priority set out below (the "**Post-Note Enforcement Notice Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

(i) *First*, in or towards satisfaction of, *pari passu* and *pro rata* according to the respective amounts thereof (A) any Issuer Expenses; (B) any third party fees and expenses payable by the Issuer as permitted under the Issuer Transaction Documents including but not limited to taxes and fees due to auditors, tax advisors and legal counsel and anticipated wind-up costs of the Issuer; and (C) any outstanding Issuer Priority Payments;

(ii) *Second*, in or towards satisfaction of fees, expenses and all other amounts due to the Representative of the Noteholders (and its appointees (if any));

(iii) *Third*, to credit to the Issuer Expenses Account such an amount as will bring the balance of such account up to but not in excess of the Issuer Expenses Account Retention Amount;

(iv) *Fourth*, in or towards satisfaction of, *pari passu* and *pro rata* according to the respective amounts thereof, fees, expenses and all other amounts due and payable to the Issuer Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer;

(v) *Fifth*, in or towards satisfaction of any amounts due to the Liquidity Facility Provider (other than Liquidity Subordinated Amounts);

(vi) *Sixth*, in or towards satisfaction of, *pro rata*, all amounts outstanding in respect of interest (other than with respect to the Class X Detachable Coupon), Note Prepayment Fees and principal payable on the Class A Notes;

(vii) *Seventh,* in or towards satisfaction of, *pro rata*, all amounts outstanding in respect of interest, Note Prepayment Fees and principal payable on the Class B Notes;

(viii) *Eighth*, in or towards satisfaction of, *pro rata*, all amounts outstanding in respect of interest, Note Prepayment Fees and principal payable on the Class C Notes;

(ix) *Ninth*, in or towards satisfaction of, *pro rata*, all amounts outstanding in respect of interest, Note Prepayment Fees and principal payable on the Class D Notes;

(x) *Tenth*, in or towards satisfaction of, *pari passu* and *pro rata*, the Note Extension Fee allocated to each Class of Notes (other than the Class X Detachable Coupon);

(xi) *Eleventh*, in or towards satisfaction of any Liquidity Subordinated Amounts;

(xii) *Twelfth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class A Notes;

(xiii) *Thirteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class B Notes;

(xiv) *Fourteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class C Notes;

(xv) *Fifteenth*, in or towards satisfaction of any Note Premium Amount due and payable on the Class D Notes;

(xvi) *Sixteenth*, in or towards satisfaction of an amount up to the Subordinated Class X Amount;

(xvii) *Seventeenth*, in or towards satisfaction of indemnity amounts due to the Lead Manager and/or the Sole Arranger under the Subscription Agreement, if any; and

(xviii) *Eighteenth*, in or towards satisfaction of (A) any additional consideration payable under the Loan Portfolio Sale Agreement to the Originator and (B) any other amount payable to the Originator under any other Issuer Transaction Document.

The Issuer may make the following payments - in priority to all other payments required to be made by the Issuer - on any day such payments are required:

(i) amounts due and payable to Connected Third Party Creditors, including the Issuer's liability, if any, to corporation tax and/or value added tax, under obligations incurred in the course of the Issuer's business, to be funded: first out of the amounts standing to the credit of the Issuer Expenses Account, second (if the above funds are not sufficient) out of the amounts standing to the credit of the Issuer Collection Account, and third (if the above funds are not sufficient) out of Expense Drawings; and

(ii) after a Loan Event of Default, any urgent capital expenditure required to prevent a material decline in the value of any Property (as determined by the Delegate Primary Servicer or, if applicable, the Delegate Special Servicer, acting in accordance with the Servicing Standard) to be funded: first out of the amounts standing to the credit of the Issuer Expenses Account, second (if the above funds are not sufficient) out of the amounts standing to the credit of the Issuer Collection Account, and third (if the above funds are not sufficient) out of Property Protection Drawings,

such payments referred to as, the "**Issuer Priority Payments**".

6. INTEREST

(a) Accrual of Interest

Each Note will bear interest on its Principal Amount Outstanding from (and including) the Closing Date. The Class A Notes will bear interest at two interest coupons, the first coupon will be determined at the Class A Note Interest Rate, as set out by Condition 6(e)(i) (*Rates of Interest*), the second coupon will be determined as set out by Condition 6(e)(v) (*Rates of Interest*). In these Conditions, "**Principal Amount Outstanding**" means with respect to the Notes or a Class of Notes (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) at any date, the principal amount of the Notes or the relevant Class of Notes upon issue less the aggregate amount of all principal payments in respect of the Notes or the relevant Class of Notes that have been made prior to such date.

(b) Note Payment Dates and Note Interest Periods

Interest in respect of the Notes including the Class X Detachable Coupon will accrue on a daily basis and is payable in euro quarterly in arrear on 18 February, 18 May, 18 August and 18 November in each year (or if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day) (each a "**Note Payment Date**") in respect of the immediately preceding Note Interest Period. The first payment of interest in respect of the Notes is due on the Note Payment Date falling in May 2015 (the "**First Note Payment Date**").

The Sole Arranger has the right to direct the Issuer to amend the Note Payment Dates to a day falling no later than 7 calendar days after that of the original Note Payment Dates, i.e. up to the 25 February, 25 May, 25 August and 25 November in each year (or if such day is not a Business Day, the next following Business Day, unless such Business Day falls in the next following calendar month in which event the immediately preceding Business Day). Any such change shall affect all Note Payment Dates falling on or after it becomes effective. No consent by the Noteholders or by the Representative of the Noteholders shall be required in order to make the above change, **provided that** the Issuer will give a 30 day advance notice, pursuant to Condition 18 (*Notices*), to the Noteholders and, pursuant to the provisions of the Issuer Transaction Documents, to the Other Issuer Secured Creditors of such change and of the date from which it will become effective.

Each Note Interest Period will be the period commencing on (and including) each Note Payment Date, to (and excluding) the next following Note Payment Date **provided that** (i) the first Note Interest Period will commence on (and include) the Closing Date and end on (and exclude) the First Note Payment Date, and (ii) the final Note Interest Period will end on the earlier of the Note Payment Date falling in February 2027 (the "**Final Maturity Date**") and the Note Payment Date falling on or immediately following the date on which the aggregate Principal Amount Outstanding of the Loans is reduced to zero (each, a "**Note Interest Period**").

(c) Cessation of Interest Accrual

Each Note (or the portion of the Principal Amount Outstanding of such Note due for redemption including for the purpose of the Class X Detachable Coupon) will cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date of redemption in accordance with these Conditions, unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Note (or the relevant portion thereof) will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Note until the day on which either all sums due in respect of such Note up to that

day are received by the relevant Noteholder or the Representative of the Noteholders, or the Paying Agent receives all amounts due on behalf of all such Noteholders.

(d) **Calculation of Interest**

Interest in respect of any Note Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360-day year (the "**Day Count Fraction**").

(e) **Rates of Interest**

The interest rate payable from time to time in respect of the Principal Amount Outstanding of each Class of Notes (each, a "**Note Interest Rate**" and together, the "**Note Interest Rates**") will be determined by the Paying Agent on behalf of the Issuer on the basis of the following provisions.

(i) The Note Interest Rate applicable to the Class A Notes for each Note Interest Period, including the first Note Interest Period, will be:

(a) as concerns the first coupon – to be paid to the holders of the Class A Notes from time to time: the aggregate of Note EURIBOR plus a margin of 1.5 per cent. per annum (the "**Class A Note Interest Rate**"), except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in euro will be substituted for 3-month EURIBOR; the Class A Note Interest Rate is subject to a floor of zero per cent.; and

(b) as concerns the second coupon – to be paid to the holders of the Class X Detachable Coupon from time to time: that determined in accordance with Condition 6(e)(v).

(ii) The Note Interest Rate applicable to the Class B Notes for each Note Interest Period, including the first Note Interest Period, will be the aggregate of Note EURIBOR plus a margin of 1.9 per cent. per annum (the "**Class B Note Interest Rate**"), except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in euro will be substituted for 3-month EURIBOR; the Class B Note Interest Rate is subject to a floor of zero per cent.

(iii) The Note Interest Rate applicable to the Class C Notes for each Note Interest Period, including the first Note Interest Period, will be the aggregate of Note EURIBOR plus a margin of 2.5 per cent. per annum (the "**Class C Note Interest Rate**"), except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in euro will be substituted for 3-month EURIBOR; the Class C Note Interest Rate is subject to a floor of zero per cent.

(iv) The Note Interest Rate applicable to the Class D Notes for each Note Interest Period, including the first Note Interest Period, will be the aggregate of Note EURIBOR plus a margin of 4.1 per cent. per annum (the "**Class D Note Interest Rate**"), except in respect of the first Note Interest Period where an interpolated interest rate based on three and six months deposits in euro will be substituted for 3-month EURIBOR; the Class D Note Interest Rate is subject to a floor of zero per cent.

(v) The "**Class X Interest Amount**" on any Note Payment Date is the amount determined on the immediately preceding Calculation Date by multiplying the Principal Amount Outstanding of the Class A Notes, as at such Calculation Date, by the Class X Percentage.

"**Class X Interest Amount**" means the amount determined by multiplying the Principal Amount Outstanding of the Class A Notes by the Class X Percentage.

"**Class X Percentage**" means an amount, expressed as a percentage, equal to the Class X Available Amount divided by the Principal Amount Outstanding of the Class A Notes.

"**Class X Available Amount**" means, in relation to a Note Payment Date, an amount, as calculated by the Calculation Agent on the Calculation Date immediately preceding such Note Payment Date, equal to the excess of:

(a) the Interest Available Funds received during the immediately preceding Loan Interest Period and credited to the Issuer Collection Account, excluding any amounts that are Liquidity Drawings;

over

(b) the sum of:

(1) any Issuer Priority Payments made after the preceding Note Payment Date and made or to be made up to such Note Payment Date; and

(2) all payments to be made on such Note Payment Date under items (i) through (xix) the Pre-Note Enforcement Notice Priority of Payment or under items (i) through (xv) the Post-Note Enforcement Notice Priority of Payments, other than: (x) amounts identified thereunder as the Class X Interest Amount, and (y) amounts identified thereunder as principal payments on any Class of Notes.

The Sole Arranger has the right to direct the Issuer to amend the Conditions with regard to the terms of the Class X Detachable Coupon, for the purpose of their eligibility in any clearing system, **provided that** (i) no such amendment may result in a prejudice to any other Noteholder; and (ii) the Issuer will give a 30 day advance notice, pursuant to Condition 18 (*Notices*), to the Noteholders and, pursuant to the provisions of the Issuer Transaction Documents, to the Other Issuer Secured Creditors of such change and of the date from which it will become effective.

(vi) "**Note Premium Amount**" means, in respect of any Note Interest Period commencing on or after the Expected Maturity Date in which Note EURIBOR exceeds five per cent., any amount of interest accrued on the Notes (other than as concerns the Class X Detachable Coupon) calculated in accordance with the following formula (**provided that** the Note Premium Amount will not be less than zero):

$$A \times (B-C) \times D$$

Where:

A = Principal Amount Outstanding on the Notes

B = Note EURIBOR

C = 5 per cent. per annum

D = Day Count Fraction

(vii) "**Administrative Fees**" means, in each case without double-counting:

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

(b) Issuer Expenses and Other Issuer Secured Creditor Fees and Expenses; and

(c) the amount required to be credited to the Issuer Expenses Account in order to bring the balance on such account up to (but not exceeding) the Issuer Expenses Account Retention Amount plus any applicable value added tax thereon,

where, for the avoidance of doubt, (a) - (c) above correspond to items (i) - (iv) of each of the applicable Priority of Payments.

For these Conditions, "**Note EURIBOR**" means: (a) prior to the delivery of a Note Enforcement Notice, the Euro-Zone Inter-bank offered rate for 3-month euro deposits which appears on the display page designated EURIBOR 01 on Reuters (except in respect of the first Note Interest Period, where an interpolated interest rate based on interest rates for three and six month deposits in euro which appears

on the display page designated EURIBOR 01 on Reuters will be substituted); or (b) following the delivery of a Note Enforcement Notice, the Euro-Zone Inter-bank offered rate for euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Reuters display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders in accordance with the Intercreditor Agreement; or (c) in the case of (a) and (b), Note EURIBOR shall be determined by reference to such other page as may replace the relevant Reuters page on that service for the purpose of displaying such information; or (d) in the case of (a) and (b), Note EURIBOR shall be determined, if the Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders, (the rate determined in accordance with paragraphs (a) to (d) above being the "**Screen Rate**" or, in the case of the initial Note Interest Period, the "**Additional Screen Rate**") at or about 11:00 a.m. (Brussels time) on the Note Interest Determination Date; and (e) if the Screen Rate (or, in the case of the initial Note Interest Period, the Additional Screen Rate) is unavailable at such time for euro deposits for the relevant period, then the rate for any relevant period shall be: (i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Calculation Agent at its request by each of the Reference Banks as the rate at which deposits in euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Note Interest Determination Date; or (ii) if only two of the Reference Banks provide such offered quotations to the Calculation Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or (iii) if only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above will have applied.

Each of the following dates is, a "**Note Interest Determination Date**":

(i) with respect to the first Note Interest Period, the day falling two Business Days prior to the Closing Date; and

(ii) with respect to each subsequent Note Interest Period, the date falling two Business Days prior to the Note Payment Date at the beginning of such Note Interest Period.

(f) **Payment of Interest, Administrative Fees, Note Premium Amounts and the Class X Interest Amount**

(i) Payment of interest on the Notes, payment of the Class X Interest Amount and payment of Administrative Fees will be made out of Issuer Available Funds standing to the credit of the Issuer Payments Account on each Note Payment Date in accordance with the applicable Priority of Payments.

(ii) For each Note Interest Period commencing after the Note Payment Date in February 2020 (the "**Expected Maturity Date**") payments in respect of the Notes (if any) that represent a Note Premium Amount will be subordinated to *inter alia* payment of interest and principal on the Notes.

(iii) Following the occurrence of a Class X Trigger Event, payment of the Class X Interest Amount will be subordinated to payments in respect of the Notes (if any) that represent a Note Premium Amount.

(g) **Calculation of Note Interest Payment Amounts and Interest Deferral**

The Issuer will on each Note Interest Determination Date, with respect to any Note Payment Date, determine or cause the Paying Agent to determine:

(i) the Note Interest Rate applicable to the Notes for the next Note Interest Period beginning after such Note Interest Determination Date (or, in case of the first Note Interest Period, beginning on and including the Closing Date);

(ii) the respective euro amounts (the "**Note Interest Payment Amount**" which shall not include the Class X Interest Amount) payable in respect of interest on the Principal Amount Outstanding of the Notes for the Note Interest Period following a Note Interest Determination Date and will be determined by applying the relevant Note Interest Rate to the Principal Amount Outstanding of such Class and multiplying the product thereof by the actual number of days in the Note Interest Period concerned divided by 360 and rounding the resulting figure downwards to the nearest cent;

(iii) To the extent that funds available to the Issuer to pay interest on any Class of Notes (other than any Note Interest Payment Amount on the Most Senior Class of Notes), including any payment under the Class X Detachable Coupon, on a Note Payment Date are insufficient to pay the full amount of interest due on such Notes but for this paragraph, then the amount of the interest shortfall (the "**Deferred Interest**") will not fall due on that Note Payment Date. Instead, the Issuer will, in respect of each affected Class of Notes, create a provision in its accounts for the related Deferred Interest on the relevant Note Payment Date. Such Deferred Interest will not accrue interest and will be payable on the earlier of (a) any succeeding Note Payment Date, when any such Deferred Interest will be paid but only if and to the extent that, on such Note Payment Date, there are sufficient funds available to the Issuer for those purposes, after deducting amounts ranking in priority to the relevant Class of Notes in accordance with the Pre-Note Enforcement Notice Priority of Payments and (b) the date on which the relevant Notes are due to be redeemed in full;

(iv) Following the occurrence of a Class X Trigger Event, payment of Subordinated Class X Amounts will be subordinated to the payment of interest and repayment of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. Subordinated Class X Amounts will only be paid if there is sufficient cash on the relevant Note Payment Date to pay such amounts on such Note Payment Date after all the prior ranking items have been paid on or provided for. Issuer Available Funds representing default interest which have not been applied towards payment of items ranking above the Subordinated Class X Amounts will be credited to the Issuer Payments Account and will form part of Issuer Available Funds on each subsequent Note Payment Date. Following redemption of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, any remaining amounts of default interest will be payable to the Class X Detachable Coupon Holder; and

(v) On each Note Payment Date on which Subordinated Class X Amounts accrue but are unpaid, the Issuer will create a provision in its accounts for the related accrued but unpaid Subordinated Class X Amounts.

(h) **Notification of Note Interest Payment Amount and Note Payment Date**

As soon as practicable (and in any event not later than the close of business on a Note Interest Determination Date), the Issuer (or the Paying Agent on its behalf), in respect of all notes other than Class X will cause:

(i) the Note Interest Rate for the Notes for the related Note Interest Period; and

(ii) the Note Interest Payment Amount for each Note for the related Note Interest Period,

to be notified to the Master Servicer, the Delegate Special Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, Monte Titoli and the Irish Stock Exchange and will cause the same to be published in accordance with Condition 18 (*Notices*) on or as soon as possible after the relevant Note Interest Determination Date.

The Class X Interest Amount shall be determined by the Issuer (or the Calculation Agent) on each relevant Calculation Date and shall be notified to the Master Servicer, the Delegate Special Servicer, the Representative of the Noteholders, the Paying Agent, the Corporate Servicer, Monte Titoli and the Irish Stock Exchange.

(i) **Amendments to Publications**

The Note Interest Rate, the Note Interest Payment Amount and the Note Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Note Interest Period.

(j) **Class D Notes Interest Available Funds Cap**

Notwithstanding the foregoing provisions of this Condition, if on any Note Payment Date prior to the service of a Note Enforcement Notice, the aggregate amount of interest that would otherwise be due and payable on the Class D Notes on that date in accordance with Condition 6(e)(iv) (*Rates of Interest*), respectively (but for this Condition 6(j) (the "**Class D Interest Amount**") is in excess of the Class D Adjusted Interest Payment Amount and the difference between the Class D Interest Amount and the relevant Class D Adjusted Interest Payment Amount is attributable to a reduction in the interest-bearing balance of any of the Loans as a result of prepayments (whether arising voluntarily or otherwise), then the aggregate amount of interest payable in respect of the Class D Notes will be subject to a cap (the "**Class D Interest Available Funds Cap**") at the relevant Class D Adjusted Interest Payment Amount and the Issuer will have no further obligation to pay any amount in respect of interest that would otherwise be due and payable in respect of the Class D Notes on such Note Payment Date or such other date on which funds are to be distributed.

For these purposes, "**Class D Adjusted Interest Payment Amount**" on any Note Payment Date means, with regard to and the Class D Notes, an amount equal to the amount by which:

(i) the aggregate amount of Interest Available Funds available for distribution under the Pre-Enforcement Priority of Payments,

exceeds

(i) the sum of all amounts payable under the Pre-Enforcement Priority of Payments on that date, excluding any principal payments under the Notes, in priority to payments of interest on the Class D Notes,

and will in any event not be less than zero.

As soon as practicable after becoming aware that any amount of interest otherwise payable in respect of the Class D Notes will be capped as a result of the application of this Condition 6(j), the Issuer will give notice thereof (or procure the giving of notice by the Calculation Agent thereof) to the Representative of the Noteholders and the Noteholders in accordance with Condition 18 (*Notices*).

(k) **Determination by the Representative of the Noteholders**

(i) If the Issuer does not at any time for any reason calculate (or cause to be calculated) the Note Interest Rate and the Note Interest Payment Amount or the Class X Interest Amount in accordance with this Condition 6, the Representative of the Noteholders as legal representative of the Organisation of the Noteholders will (i) determine (or cause to be determined) the Note Interest Rate for the Notes in accordance with Condition 6(e) (*Rates of Interest*); and (ii) determine (or cause to be determined) the Note Interest Payment Amount for the Notes in the manner specified in Condition 6(g) (*Calculation of Note Interest Payment Amounts and Interest Deferral*) and such determination will be deemed to have been made by the Issuer.

(ii) The Representative of the Noteholders will have no liability to any person (other than the Issuer) in connection with any determination or calculation made by it or its agent pursuant to this Condition 6(k) or any failure to make such determination or calculation or any failure to appoint such an agent willing or able to make such determination or calculation, and the Representative of the Noteholders will not be in any way responsible for any liabilities incurred by reason of misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent, **provided that** such agent has been selected by the Representative of the Noteholders from among financial institutions having certified experience in making the above determination and calculation and already acting as calculation agent in other securitisation transactions.

(l) **Notifications to be Final**

Each notification, calculation and quotation given, expressed, made or obtained for the purposes of this Condition, whether by the Reference Banks (or any of them), the Paying Agent, the Issuer or the Representative of the Noteholders will (in the absence of gross negligence, wilful misconduct or manifest error) be binding on all persons.

(m) **Reference Banks**

The Issuer will ensure that, so long as any of the Notes remain outstanding, there will at all times be four reference banks, as may be appointed by the Paying Agent at the relevant time (the "**Reference Banks**").

(n) **Non-payment of Interest**

For the avoidance of doubt: (i) non-payment when due of interest on any Class of Notes - other than non-payment of the Note Interest Payment Amount on the Most Senior Class of Notes then outstanding - will not cause a Note Event of Default, (ii) failure to pay Class X Interest Amount will not cause an Event of Default, unless, in each case, the relevant amount is due and payable (i.e., there are sufficient Issuer Available Funds to make the payment).

(o) **Allocation of Loan Prepayment Fees**

On each Note Payment Date, each Class of Relevant Prepaid Notes (other than the Class X Detachable Coupon) will be allocated a portion of the prepayment fees received by the Issuer with respect to each Loan (the "**Loan Prepayment Fees**") during the Loan Interest Period ending immediately prior to that Note Payment Date equal to the product of (a) such Loan Prepayment Fees and (b) such Class of Notes's Loan Prepayment Fee Factor. All amounts of Loan Prepayment Fees in excess of those allocated to the Notes, as described above, will be paid to the Class X Detachable Coupon.

The "**Loan Prepayment Fee Factor**" with respect to any Loan and any Class of Relevant Prepaid Notes on any Note Payment Date shall be equal to the product of (a) the Margin Factor for such Class of Notes and (b) the Note Portion Factor for such Loan.

The "**Margin Factor**" with respect to any Class of Relevant Prepaid Notes on any Note Payment Date shall be the product (expressed as a percentage) of: (a) the Note Margin Interest due on such Class of Relevant Prepaid Notes on such Note Payment Date, divided by (b) the aggregate Note Margin Interest due on all of the Relevant Prepaid Notes on such Note Payment Date (excluding, for the avoidance of doubt, any amounts paid to the Class X Detachable Coupon).

The "**Note Margin Interest**" means, with respect to any Class of Relevant Prepaid Notes and any Note Payment Date, the aggregate amount of interest payable on such Class of Relevant Prepaid Notes on such Note Payment Date which has accrued during the Note Interest Period ending on such Note Payment Date at the rate equal to the Relevant Margin applicable to such Class of Notes.

The "**Note Portion Factor**" means, with respect to any Loan and any Note Payment Date: (a) 1.00 minus (b) a fraction equal to: (i) the Loan Excess for such Loan during the immediately preceding Loan Interest Period, divided by (ii) the Loan Margin for such Loan.

The "**Loan Excess**" means, with respect to any Loan and any Note Payment Date, the number of basis points by which: (a) the Loan Margin, exceeds (b) the sum of: (i) the WAFR, and (ii) the Note WAC for the related Note Payment Date.

The "**WAFR**" means, with respect to any Note Payment Date, the weighted average Administrative Fee Rate for a single Note Interest Period based upon the Administrative Fee Rate for the current Note Interest Period and the prior three Note Interest Periods, weighted based on the aggregate outstanding principal balances of the Notes during each such Note Interest Period.

The "**Administrative Fee Rate**" means, for any Note Interest Period, an amount expressed as a percentage equal to: (a) the Administrative Fees paid during such Note Interest Period, divided by (b) the aggregate outstanding principal balances of the Notes during each such Note Interest Period.

The "**Note WAC**" means, with respect to any Note Payment Date, the weighted average note margin for the Notes (excluding, for the avoidance of doubt, any amounts paid to the Class X Detachable Coupon), weighted based on the outstanding principal balance of each Class of Notes as of the related Note Interest Period.

The "**Relevant Prepaid Notes**" means, with respect to any Note Payment Date, each Class of Notes that will be allocated any PF Principal Available Funds on such Note Payment Date.

(p) **Calvino Extension Fee**

On the Note Payment Date immediately following the payment of the Calvino Extension Fee (if any), each Class of Notes (other than the Class X Detachable Coupon) will be allocated a portion of the Calvino Extension Fee received by the Issuer (as to each Class of Notes, the "**Note Extension Fee**") determined by applying the following formula, with reference to the Calculation Date immediately preceding such Note Payment Date:

Class allocation of Calvino Extension Fee = Calvino Extension Fee x (Class PAO as at such Calculation Date)/(Total PAO as at such Calculation Date).

7. REDEMPTION, PURCHASE AND CANCELLATION

(a) **Final Redemption**

(i) Unless previously redeemed in full or cancelled as provided in this Condition, the Issuer will redeem the Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date.

(ii) If the Issuer has insufficient Principal Available Funds to repay the Notes in full or, as applicable, to make in full payments to the Class X Detachable Coupon on the Final Maturity Date, then the Notes will be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Notes will (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

(b) **Optional Redemption**

Provided that no Note Enforcement Notice has been served on the Issuer, the Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon) which redemption amounts will be paid in accordance with the priorities of the Post-Note Enforcement Notice Priority of Payments the Post-Note Enforcement Notice Priority of Payments, on any Note Payment Date from the Note Payment Date on which the aggregate Principal Amount Outstanding of the Notes is 10 per cent. or less than the aggregate Principal Amount Outstanding of the Notes on the Closing Date, subject to the Issuer:

(i) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 18 (*Notices*) of its intention to redeem all (in whole but not in part) of the Notes; and

(ii) delivering, prior to the notice referred to in paragraph (i) above being given, the Issuer has delivered to the Representative of the Noteholders a certificate duly signed by the Issuer confirming that the Issuer will on the relevant Note Payment Date have the necessary funds, free and clear of any security interest of any third party, required to discharge all of its outstanding liabilities in respect of the Notes and to redeem the Notes in accordance with this Condition and any amount required to be paid under the Post-Note Enforcement Notice Priority of Payments in priority to or *pari passu* with the Notes.

(c) **Optional Redemption for Taxation Reasons**

Provided that no Note Enforcement Notice has been served on the Issuer, the Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon including for the avoidance of doubt, under the Class X Detachable Coupon) in accordance with the applicable Priority of Payments on any Note Payment Date:

(i) after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which requires the Issuer is required to make any Tax Deduction (other than a Decree 239 Deduction) from any payment of principal or interest in respect of any Notes;

(ii) after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which would cause (a) the total amount payable in respect of the Loan Portfolio to cease to be receivable by the Issuer; or (b) the debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Loan,

subject to the Issuer:

(iii) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Condition 18 (*Notices*) of its intention to redeem all (but not some only) of the Notes; and

(iv) delivering, prior to the notice referred to in paragraph (iii) above being given to the Representative of the Noteholders:

(a) a certificate duly signed by a director of the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of any Loan ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interest as a whole;

(b) a tax opinion stating that the obligation to make such deduction or withholding or the suffering by the Issuer of such deduction or withholding cannot be avoided or, as the case may be, the events will apply on the next Note Payment Date and cannot be avoided by the Issuer; and

(c) a certificate signed by a director of the Issuer confirming that the Issuer will, on the relevant Note Payment Date, have the necessary funds free and clear of any security interest of any third party) required to discharge all of its outstanding liabilities in respect of the Notes and redeem the Notes in accordance with this Condition - and to pay any amount required to be paid in priority to or *pari passu* with the Notes - which amounts will be paid in accordance with the priorities of the Post-Note Enforcement Notice Priority of Payments.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree 239.

"**Decree 239**" means the Italian legislative decree No. 239 of 1 April 1996, as subsequently amended and supplemented.

"**Tax Deduction**" means any deduction or withholding from any payment of principal or interest in respect of any Note or the Class X Detachable Coupon (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes or the Class X Detachable Coupon and other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the relevant jurisdiction (or any political subdivision thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures to available to it.

(d) **Conclusiveness of Certificates**

Any certificate given by or on behalf of the Issuer pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(c) (*Optional Redemption for Taxation Reasons*) may, in the absence of manifest error, be relied upon by the Representative of the Noteholders without further investigation and will be binding on the Noteholders and the Other Issuer Secured Creditors.

(e) **Calculation of Principal Payment Amount**

(i) On each Calculation Date, the Issuer will calculate or cause the Calculation Agent to calculate:

(a) the amount of the Principal Available Funds; and

(b) the Principal Payment Amount due on the Notes on the next following Note Payment Date, the Class A Principal Payment Amount, the Class B Principal Payment Amount, the Class C Principal Payment Amount and the Class D Principal Payment Amount due on the next Note Payment Date.

(ii) The "**Class A Principal Payment Amount**" means the sum of that portion of the Sequential Principal Payment Amount, the Pro Rata Principal Payment Amount and the Surplus PRPD Amounts, allocated to the Class A Notes on such Note Payment Date.

The "**Class B Principal Payment Amount**" means the sum of that portion of the Sequential Principal Payment Amount, the Pro Rata Principal Payment Amount and the Surplus PRPD Amounts, allocated to the Class B Notes on such Note Payment Date.

The "**Class C Principal Payment Amount**" means the sum of that portion of the Sequential Principal Payment Amount, the Pro Rata Principal Payment Amount and the Surplus PRPD Amounts, allocated to the Class C Notes on such Note Payment Date.

The "**Class D Principal Payment Amount**" means the sum of that portion of the Sequential Principal Payment Amount, the Pro Rata Principal Payment Amount and the Surplus PRPD Amounts, allocated to the Class D Notes on such Note Payment Date.

The "**Principal Payment Amount**" means, collectively, the Class A Principal Payment Amount, Class B Principal Payment Amount, Class C Principal Payment Amount and Class D Principal Payment Amount.

The "**PF Principal Available Funds**" means any Principal Available Funds that are received on a Loan that are accompanied with the payment of a Loan Prepayment Fee.

The "**Non-PF Principal Available Funds**" means all Principal Available Funds other than PF Principal Available Funds.

The "**PF Pro Rata Principal Payment Amount**" as determined on any Calculation Date means the aggregate of, with respect to all of the Loans, the following:

(a) with respect to each Loan for which a Sequential Payment Trigger will exist on the next following Note Payment Date, zero; and

(b) with respect to each Loan for which a Sequential Payment Trigger will not exist on the next following Note Payment Date, all PF Principal Available Funds received with respect to such Loan other than: (i) Cash Trap Principal, and (ii) any amounts that are received by the Issuer as a principal prepayment under the Globe Loan.

The "**Non-PF Pro Rata Principal Payment Amount**" as determined on any Calculation Date means the aggregate of, with respect to all of the Loans, the following:

(a) with respect to each Loan for which a Sequential Payment Trigger will exist on the next following Note Payment Date, zero; and

(b) with respect to each Loan for which a Sequential Payment Trigger will not exist on the next following Note Payment Date, all Non-PF Principal Available Funds received with respect to such Loan other than: (i) Cash Trap Principal, and (ii) any amounts that are received by the Issuer as a principal prepayment under the Globe Loan.

The "**Pro Rata Principal Payment Amount**" as determined on any Calculation Date means the aggregate of, with respect to all of the Loans, the PF Pro Rata Principal Payment Amounts and the Non-PF Pro Rata Principal Payment Amounts.

"**Cash Trap Principal**" means, with respect to any Loan, Principal Available Funds which are received as a prepayment of such Loan as a result of the occurrence of certain events, such as the trigger of a financial covenant, which are set forth in the related Loan Agreement and

where, if such events had not occurred, such funds would instead have been distributed to a Loan Obligor or deposited into an account of a Loan Obligor as set forth in such Loan Agreement.

Principal Available Funds will be allocated to each Class of Notes in the following priority, based upon the determinations made on the relevant Calculation Date:

(a) each Class of Notes (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) will be allocated its respective Class Allocation of PPRDA with respect to the Non-PF Pro Rata Principal Payment Amounts;

(b) if, after allocation of the amounts set forth in item (i) above, with such allocation calculated as if were applied in accordance with, and subject to, the Pre-Note Enforcement Notice Priority of Payments, the amount of the Non-PF Pro Rata Principal Payment Amount allocated to any Class of Notes in accordance with this formula exceeds the Principal Amount Outstanding of that Class of Notes at the relevant time or if there are surplus Non-PF Pro Rata Principal Payment Amounts which remain unallocated as a result of a Class of Notes having been redeemed in full prior to such Calculation Date, the amount of such surplus (the "**Non-PF Surplus PRPD Amounts**") will be allocated sequentially to the Class A Notes *pro rata*, in full and, if the Class A Notes have been or will on such Note Payment Date be redeemed in full to the Class B Notes *pro rata*, and if the Class B Notes have been or will on such Note Payment Date be redeemed in full to the Class C Notes *pro rata*, and if the Class C Notes have been or will on such Note Payment Date be redeemed in full to the Class D Notes *pro rata* and applied in accordance with and subject to, the Pre-Note Enforcement Priority of Payments;

(c) after allocation of the amounts set forth in item (ii) above, with such allocation calculated as if were applied in accordance with, and subject to, the Pre-Note Enforcement Notice Priority of Payments, each Class of Notes (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) will be allocated its respective Class Allocation of PPRDA with respect to the PF Pro Rata Principal Payment Amounts;

(d) if, after allocation of the amounts set forth in item (iii) above, with such allocation calculated as if were applied in accordance with, and subject to, the Pre-Note Enforcement Notice Priority of Payments, the amount of the PF Pro Rata Principal Payment Amount allocated to any Class of Notes in accordance with this formula exceeds the Principal Amount Outstanding of that Class of Notes at the relevant time or if there are surplus PF Pro Rata Principal Payment Amounts which remain unallocated as a result of a Class of Notes having been redeemed in full prior to such Calculation Date, the amount of such surplus (the "**PF Surplus PRPD Amounts**") will be allocated sequentially to the Class A Notes *pro rata*, in full and, if the Class A Notes have been or will on such Note Payment Date be redeemed in full to the Class B Notes *pro rata*, and if the Class B Notes have been or will on such Note Payment Date be redeemed in full to the Class C Notes *pro rata*, and if the Class C Notes have been or will on such Note Payment Date be redeemed in full to the Class D Notes *pro rata* and applied in accordance with and subject to, the Pre-Note Enforcement Priority of Payments;

(e) after allocation of the amounts set forth in item (iv) above, with such allocation calculated as if were applied in accordance with, and subject to, the Pre-Note Enforcement Notice Priority of Payments, the Non-PF Sequential Principal Payment Amount will be allocated sequentially to the Class A Notes *pro rata*, in full and, if the Class A Notes have been or will on such Note Payment Date be redeemed in full to the Class B Notes *pro rata*, and if the Class B Notes have been or will on such Note Payment Date be redeemed in full to the Class C Notes *pro rata*, and if the Class C Notes have been or will on such Note Payment Date be redeemed in full to the Class D Notes *pro rata*, and will be applied in accordance with and subject to the Pre-Note Enforcement Priority of Payments; and

(f) after allocation of the amounts set forth in item (v) above, with such allocation calculated as if were applied in accordance with, and subject to, the Pre-Note Enforcement Notice Priority of Payments, the PF Sequential Principal Payment Amount will be allocated

sequentially to the Class A Notes *pro rata*, in full and, if the Class A Notes have been or will on such Note Payment Date be redeemed in full to the Class B Notes *pro rata*, and if the Class B Notes have been or will on such Note Payment Date be redeemed in full to the Class C Notes *pro rata*, and if the Class C Notes have been or will on such Note Payment Date be redeemed in full to the Class D Notes *pro rata*, and will be applied in accordance with and subject to the Pre-Note Enforcement Priority of Payments.

Where:

"**Class Allocation of PRPDA**" means, with respect to each Class of Note (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) the amount of either Non-PF Pro Rata Principal Payment Amount or PF Pro Rata Principal Payment Amount, as applicable, allocated to such Class of Note, based upon the following formula:

Class Allocation of PRPDA = Total PRPDA x (Class PAO as at such Calculation Date)/(Total PAO as at such Calculation Date).

"**Class PAO**" with respect to the relevant Class of Notes, the total aggregate Principal Amount Outstanding of that Class of Notes as of the Closing Date as of any other specified date.

"**Material Loan Event of Default**" means, with respect to any Loan, a Loan Event of Default with respect to such Loan that is either: (a) an acceleration of a Loan, or a Loan Event of Default (subject to any applicable grace periods) concerning a failure to pay or a breach of financial covenants that has not been waived; or (b) an insolvency event with respect to any Loan Obligor.

The "**Non-PF Sequential Principal Payment Amount**" as determined on any Calculation Date will be the Principal Available Funds as determined on that Calculation Date less the Pro Rata Principal Payment Amount as determined on that Calculation.

The "**PF Sequential Principal Payment Amount**" as determined on any Calculation Date will be the PF Principal Available Funds as determined on that Calculation Date less the PF Pro Rata Principal Payment Amount as determined on that Calculation Date.

The "**Sequential Principal Payment Amount**" as determined on any Calculation Date will be the aggregate of, with respect to all of the Loans, the PF Sequential Principal Payment Amounts and the Non-PF Sequential Principal Payment Amounts.

The "**Surplus PRPD Amounts**" as determined on any Calculation Date will be the aggregate of, with respect to all Loans, the PF Surplus PRPD Amounts and the Non-PF Surplus PRPD Amounts.

The "**Total PAO**" means the total aggregate Principal Amount Outstanding of all Classes of Notes (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) as of the Closing Date.

The "**Total PRPDA**" means either the total Non-PF Pro Rata Principal Payment Amount or the total PF Pro Rata Principal Amount, as applicable, as determined on the relevant Calculation Date.

A "**Sequential Payment Trigger**" means, with respect to any Loan, the first to occur of:

(a) the occurrence of a Material Loan Event of Default with respect to such Loan; or

(b) the delivery of a Note Enforcement Notice; or

(c) the occurrence of an Insolvency Event in relation to the Issuer.

(iii) The Principal Payment Amount for each Class of Notes will be allocated sequentially to:

(a) the Class A Notes *pro rata*; and

(b) if the Class A Notes have been or will on such Note Payment Date be redeemed in full, to the Class B Notes *pro rata*; and

(c) if the Class B Notes have been or will on such Note Payment Date be redeemed in full, to the Class C Notes *pro rata*; and

(d) if the Class C Notes have been or will be redeemed in full on such Note Payment Date, to the Class D Notes *pro rata*.

(f) **Calculation by the Representative of the Noteholders in case of Issuer Default**

(i) If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the amount thereof available for principal payments in respect of the Notes, the Principal Payment Amount in respect of each Note or the Principal Amount Outstanding in relation to each Note in accordance with this Condition, such amounts will be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation will be deemed to have been made by the Issuer.

(ii) The Representative of the Noteholders will have no liability to any person (other than the Issuer) in connection with any determination or calculation made by it or its agent pursuant to this Condition or any failure to make such determination or calculation or any failure to appoint such an agent willing or able to make such determination or calculation, and the Representative of the Noteholders will not be in any way responsible for any liabilities incurred by reason of misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent, **provided that** such agent has been selected by the Representative of the Noteholders among financial institutions having certified experience in making the above determination and calculation and already acting as calculation agent in other securitisation transactions.

(g) **Principal Amount Outstanding and Note Factor**

On each Calculation Date, the Issuer will determine or cause the Calculation Agent to determine (a) the Principal Amount Outstanding of each Note (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) on the next following Note Payment Date (after deducting any principal payment to be paid on such Note on that Note Payment Date) and (b) the fraction (the "**Note Factor**"), the numerator of which is equal to the Principal Amount Outstanding of each Class of Notes immediately prior to the next following Note Payment Date and the denominator of which is equal to the aggregate Principal Amount Outstanding of all the Classes of Notes immediately prior to the next following Note Payment Date. Each determination by the Calculation Agent of the Principal Amount Outstanding of a Note and the Note Factor will in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Principal Amount Outstanding of a Note (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) on any date will be its face amount less the aggregate amount of principal repayments or prepayments made in respect of that Note since the Closing Date.

If the Issuer (or the Calculation Agent on its behalf) does not at any time for any reason determine the Principal Amount Outstanding or the Note Factor in accordance with the preceding provisions of this Condition 7(g), such Principal Amount Outstanding and the Note Factor may be determined by the Representative of the Noteholders, in accordance with this Condition 7(g), and each such determination or calculation will be conclusive and will be deemed to have been made by the Issuer or the Calculation Agent, as the case may be and the Representative of the Noteholders will have no liability to any person in respect thereof.

(h) **Notice of Calculation of Principal Payment Amount and Principal Amount Outstanding**

The Issuer will cause each determination of the Principal Amount Outstanding and the Note Factor and the Principal Payment Amount to be notified in writing forthwith to the Representative of the Noteholders, the Paying Agent, the Rating Agencies, the Issuer Account Bank and (for so long as the Notes are listed on the Irish Stock Exchange) the Irish Stock Exchange by the Calculation Agent.

(i) **Notice Irrevocable**

Upon any such notice as is referred to in Conditions 7(b) (*Optional Redemption*), 7(c) (*Optional Redemption for Taxation Reasons*) and 7(h) (*Notice of Calculation of Principal Payment Amount and Principal Amount Outstanding*), the Issuer will be bound to redeem the Notes at their Principal Amount Outstanding.

(j) **No Purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes at any time.

(k) **Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

8. LIMITED RECOURSE AND NON-PETITION

(a) **Noteholders not entitled to Proceed Directly against Issuer**

Subject to the provisions of the Rules, only the Representative of the Noteholders may pursue the remedies available under general law or under the Issuer Transaction Documents to obtain payment of the Secured Obligations or enforce the Issuer Security and no Noteholder will be entitled to proceed directly against the Issuer to obtain payment of the Secured Obligations or to enforce the Issuer Security. In particular,

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

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

(iii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all the Noteholders) will, save as expressly permitted by the Issuer Transaction Documents, be entitled to initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and

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

(b) **Limited Recourse Obligations of Issuer**

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

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

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

(iii) if the Master Servicer (or the Delegate Primary Servicer or the Delegate Special Servicer on its behalf) has certified to the Representative of the Noteholders, that there is no reasonable likelihood of there being any further realisations in respect of any of the Loans or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Security or otherwise) which would be available to pay unpaid amounts outstanding under the Issuer Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 18 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Loan Portfolio or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Loan Transaction Security or otherwise) which would be available to pay amounts outstanding under the Issuer Transaction Documents or the Notes, the Noteholders will have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts will be cancelled and discharged in full.

9. PAYMENTS

(a) **Payments through Monte Titoli**

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holder in whose accounts with Monte Titoli the Notes are held and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

(b) **Payments Subject to Fiscal Laws**

All payments in respect of the Notes are subject in each case to (i) any applicable fiscal or other laws and regulations and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental agreement thereto. No commissions or expenses will be charged to the Noteholders in respect of such payments.

(c) **Payments on Business Days**

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a Business Day in the place of payment to such Noteholder.

(d) **Change of Paying Agent and Appointment of Additional Paying Agents**

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents. The Issuer will cause at least 30 Business Days' prior notice of any change in or addition to the Paying Agent or its specified office to be given to the Noteholders in accordance with Condition 18 (*Notices*).

10. TAXATION

(a) **Payments Free from Tax**

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Paying Agent or any paying agent appointed under Condition 9(d) (*Change of Paying Agent and Appointment of Additional Paying Agents*) (as the case may be) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent (as the case may be) will make such payments after such Tax Deduction and will account to the relevant authorities for the amount so withheld or deducted.

(b) **No Payment of Additional Amounts**

None of the Issuer, the Representative of the Noteholders, the Paying Agent or any paying agent appointed under Condition 9(d) (*Change of Paying Agent and Appointment of Additional Paying Agents*) will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.

(c) **Tax Deduction not Note Event of Default**

Notwithstanding that the Representative of the Noteholders, the Issuer or the Paying Agent or any paying agent appointed under Condition 9(d) (*Change of Paying Agent and Appointment of Additional Paying Agents*) may be required to make a Tax Deduction this will not constitute a Note Event of Default.

11. NOTE EVENTS OF DEFAULT

(a) **Note Events of Default**

Each of the following events is a Note Event of Default.

(i) ***Non-payment of Note Interest Payment Amount on the Most Senior Class of Notes and of Interest or Principal on any Class of Notes:***

the Issuer fails to (i) pay (a) any Note Interest Payment Amount in respect of the Most Senior Class of Notes or (b) any interest due and payable (i.e., there are sufficient Issuer Available Funds to make the payment) on any other Class of Notes (including any sum due and payable (i.e., there are sufficient Issuer Available Funds to make the payment) under the Class X Detachable Coupon) within five days of the due date for payment thereof, or (ii) repay any principal when due and payable on any Class of Notes within five days of the due date for payment thereof; or

(ii) ***Breach of Other Obligations:***

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Issuer Transaction Documents or Issuer Security Documents (other than any obligation to pay principal or interest in respect of the Notes as indicated under paragraph (i) above) and such default (a) is in the opinion of the Representative of the Noteholders, incapable of remedy or (b) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy remains unremedied for 14 days after the Representative of the Noteholders has given written notice of such default to the Issuer requiring the same to be remedied;

(iii) ***Insolvency of the Issuer:***

an Insolvency Event occurs with respect to the Issuer; or

(iv) ***Unlawfulness:***

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

For these purposes, "**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect, unless, in the opinion of the

Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Secured Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Civil Code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

(e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

(b) **Delivery of Note Enforcement Notice**

If a Note Event of Default occurs and is continuing, subject to Condition 11(c) (*Conditions to Delivery of Note Enforcement Notice*) the Representative of the Noteholders may or will, if so directed by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Detachable Coupon and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred, serve a written notice (a "**Note Enforcement Notice**") on the Issuer.

(c) **Conditions to Delivery of Note Enforcement Notice**

Notwithstanding Condition 11(b) (*Delivery of Note Enforcement Notice*), the Representative of the Noteholders will not be obliged to deliver a Note Enforcement Notice unless:

(i) in the case of the occurrence of any of the events mentioned in Condition 11(a)(ii) (*Breach of Other Obligations*), to the extent no Extraordinary Resolution has been passed on the matter, the Representative of the Noteholders will have certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Noteholders; and

(ii) it will have been indemnified and/or secured to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing.

(d) **Consequences of Delivery of Note Enforcement Notice**

Upon service by the Representative of the Noteholders of a Note Enforcement Notice to the Issuer, all payments of principal, interest and other amounts due in respect of the Notes will become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and will be payable in accordance with the order of priority set out in Condition 5(b) (*Post-Note Enforcement Notice Priority of Payments*) and on such dates as the Representative of the Noteholders will determine as being Note Payments Dates.

12. ENFORCEMENT

(a) **Proceedings**

At any time after a Note Enforcement Notice has been served on the Issuer, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it will not be bound to do so unless directed by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Detachable Coupon and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred, and subject to Article 32.4 (*Conflicts*) of the Rules of the Organisation of the Noteholders.

(b) **Directions to the Representative of the Noteholders**

The Representative of the Noteholders may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Secured Creditor.

(c) **Sale of Loan Portfolio**

(i) Following the delivery of a Note Enforcement Notice, the Representative of the Noteholders:

(a) may at its discretion; and

(b) shall, if so requested by an Extraordinary Resolution of the Noteholders of all Classes of Notes then outstanding, other than (i) the Class X Detachable Coupon and (ii) any Class of Notes in respect of which a Control Valuation Event has occurred, and strictly in accordance with the instructions approved thereby subject to Article 32.4 (*Conflicts*) of the Rules of the Organisation of the Noteholders (and subject to an indemnification to its satisfaction),

direct the Issuer to sell the Loan Portfolio or a substantial part thereof.

(ii) Upon the occurrence of the circumstance under Condition 12(c)(i) above, the assignee of the Loan Portfolio (or part of it) will provide the Issuer with (i) a solvency certificate and (ii) a good standing certificate (*certificato di vigenza*) or other similar certificates issued in the relevant jurisdiction of the assignee issued by the relevant Chamber of Commerce (or equivalent body in the relevant jurisdiction of the assignee) confirming that no insolvency proceedings have been filed or are pending against it. The assignee of the Loan Portfolio shall also acknowledge and agree that the assignment of the Loan Portfolio shall be considered as a *contratto aleatorio* and accept the consequences thereof, including the consequences of Article 1469 of the Civil Code.

13. THE REPRESENTATIVE OF THE NOTEHOLDERS AND OTHER AGENTS

(a) **The Organisation of the Noteholders**

The Organisation of the Noteholders will be established upon and by virtue of the issue of the Notes and will remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

(b) **Appointment of the Representative of the Noteholders**

Pursuant to the Rules of the Organisation of the Noteholders there will at all times be a Representative of the Noteholders.

14. PAYING AGENT, CALCULATION AGENT, MASTER SERVICER, DELEGATE PRIMARY SERVICER AND DELEGATE SPECIAL SERVICER

So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a Paying Agent in respect of the moneys from time to time standing to the credit of the Issuer Accounts, a Calculation Agent in respect of certain calculations in the framework of the Securitisation and a Delegate

Primary Servicer or Delegate Special Servicer (as applicable) in respect of the Issuer's assets. None of the Paying Agent, Master Servicer, Delegate Primary Servicer or Delegate Special Servicer will be permitted to terminate its appointment unless a replacement servicer or paying agent, as the case may be, acceptable to the Issuer and the Representative of the Noteholders has been appointed.

15. DEALINGS WITH THE RATING AGENCIES

The Issuer will not engage in any communication (whether written, oral, electronic or otherwise) with any of the Rating Agencies unless it:

(a) has given at least two Business Days' notice of the same to the Representative of the Noteholders, the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer;

(b) permits such parties (or any of them) to participate in such communications; and

(c) summarises any information provided to the Rating Agencies in such communications in writing to the Representative of the Noteholders, the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer.

16. Controlling Class

The majority of persons by value who constitute the Controlling Class may (acting by Ordinary Resolution), elect by notice in writing to the Representative of the Noteholders (subject to each of the relevant Noteholders establishing its holding in such Notes to the satisfaction of the Representative of the Noteholders in accordance with the provisions of the Rules) to appoint not more than one person to be their representative for the purposes of this Condition 16 (each such person, an "**Operating Advisor**"). The Representative of the Noteholders will be required to notify the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer in writing of the identity of the Controlling Class and any appointment of an Operating Advisor. The appointment of any such Operating Advisor shall not take effect until the Representative of the Noteholders notifies the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer in writing of its appointment. Neither the Delegate Primary Servicer nor the Delegate Special Servicer will have any obligation to identify the individual Noteholders of any Class that may be the Controlling Class from time to time, to inform them of their rights as such or to assist them in the appointment of an Operating Advisor. Should the Controlling Class fail to appoint an Operating Advisor (or an Operating Advisor resigns or is terminated and is not replaced), the relevant Controlling Class shall be deemed to have waived any rights it may have *vis-à-vis* the Delegate Primary Servicer and the Delegate Special Servicer. The Operating Advisor need not itself be a Noteholder.

Neither the Controlling Class nor the Operating Advisor shall have any liability to the Issuer, any Noteholder (of any Class), the Representative of the Noteholders or any other party for any action taken, or for refraining from taking any action in good faith or for any errors of judgment. The Operating Advisor will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class.

Any Operating Advisor so appointed will have the rights set forth in the Master Servicing Agreement and in the Delegate Servicing Agreement. Any such Operating Advisor shall, unless instructed to the contrary in writing by the majority of persons who constitute the Controlling Class, be entitled in its sole discretion to exercise all of the rights given to it pursuant to the Master Servicing Agreement and in the Delegate Servicing Agreement as it sees fit.

The Controlling Class may act by Ordinary Resolution, and elect by notice in writing to: (a) the Representative of the Noteholders; and (b) the Master Servicer, the Primary Servicer, the Delegate Special Servicer, the Delegate Primary Servicer and the Delegate Special Servicer to terminate the appointment of any Operating Advisor. Any Operating Advisor may retire by giving not less than 21 days' notice in writing to: (a) the Noteholders of the Controlling Class (in accordance with the terms of Condition 18 (*Notices*)), the Issuer and the Representative of the Noteholders; and (b) the Master Servicer, the Delegate Primary Servicer, the Special Servicer, the Delegate Primary Servicer and the Delegate Special Servicer.

The Calculation Agent shall include in the Calculation Agent Quarterly Report and in the Note Payment Date Investor Report the calculation of the Control Valuation Event for each relevant Class and the result of the Controlling Class Test. Initially the Class D Notes will be the Controlling Class. The Delegate Primary Servicer and Delegate Special Servicer will be entitled to rely on the Calculation Agent's determination of

the Controlling Class and will have no liability to the Issuer or the Noteholders for any action taken or for refraining from taking any action in good faith pursuant to the Master Servicing Agreement (or the Delegate Servicing Agreement) in reliance thereon.

Where:

"**Controlling Class**" means the most junior Class of Notes (other than the Class X Detachable Coupons) outstanding from time to time which meets the Controlling Class Test, **provided that** for so long as no Class of Notes meets the Controlling Class Test, the Controlling Class will mean the Most Senior Class of Notes then outstanding.

A Class of Notes will meet the "**Controlling Class Test**" if such Class is the most junior ranking Class of Notes then outstanding which:

(a) has a total Principal Amount Outstanding that is not less than 25 per cent. of the Principal Amount Outstanding of that Class as at the Closing Date; and

(b) for which a Control Valuation Event is not continuing.

If no Class of Notes has a Principal Amount Outstanding, that satisfies this requirement, then the Controlling Class will be the Most Senior Class of Notes then outstanding.

A "**Control Valuation Event**" will occur with respect to any Class of Notes (other than the Class X Detachable Coupons) if and for so long as: (a) the difference between (1) the sum of (i) the then Principal Amount Outstanding of such Class of Notes, and (ii) the then Principal Amount Outstanding of all Classes of Notes ranking junior to such Class (other than the Class X Detachable Coupons); and (2) the sum of (i) the aggregate Valuation Reduction Amounts with respect to any Loan and (ii) without duplication, losses realised with respect to any enforcement of security in respect of the related Properties, is less than (b) 25 per cent. of the balance as at the Closing Date of the Principal Amount Outstanding of such Class of Notes. The Delegate Primary Servicer or, if any Loan is a Specially Serviced Loan, the Delegate Special Servicer is required to provide the Calculation Agent with written confirmation of the amounts referred to in (2) above, if applicable, promptly following receipt of a request from the Calculation Agent.

At least once every 12 months whilst a Loan is a Specially Serviced Loan, the Special Servicer will be required to use reasonable endeavours to instruct an independent valuer who is a member of the Royal Institution of Chartered Surveyors ("**RICS**") or a qualified independent valuer acting in accordance with the then current RICS Appraisal and Valuation Standards and to require such valuer to deliver a full valuation within 45 days of such event if and for so long as there does not exist a valuation of the Properties previously obtained by the Primary Servicer or the Special Servicer, as applicable, in accordance with each Loan Agreement or by means of instructions given to the valuer by the Primary Servicer or Special Servicer, which is less than 12 months old (a "**Recent Valuation**") and provided that such Recent Valuation is not based upon materially different assumptions than those that would be the basis for any new valuation that would be obtained in the reasonable opinion of the Special Servicer acting in accordance with the Servicing Standard and provided further that the Special Servicer has not determined based on publicly available information in relation to property markets in Italy (without any liability on its part) that the Properties or the relevant property markets can reasonably be said to have experienced a decrease in value of greater than 5 per cent. since the Recent Valuation. Such valuation will be at the expense of the relevant Borrower in accordance with the terms of the relevant Loan Agreement. To the extent that the same cannot be recovered from the relevant Borrower, it will be at the cost of the Issuer.

In addition, at any time after the occurrence of a Special Servicer Transfer Event, the Issuer will on receipt of a written request from Noteholders representing at least 10 per cent. of the Notes by Principal Amount Outstanding convene a meeting of all of the Noteholders as a single Class to consider an Ordinary Resolution of the Noteholders instructing the Delegate Special Servicer to commission a desktop valuation of the Properties, at the cost of the Issuer, for the purposes of determining the Valuation Reduction Amount at such time **provided that** no more than one such meeting can be convened in any 12 month period.

The Delegate Primary Servicer or, if a Loan is a Specially Serviced Loan, the Delegate Special Servicer will calculate the Valuation Reduction Amount for such Loan based upon the valuation obtained as set out above or, if the Delegate Primary Servicer or the Delegate Special Servicer (as applicable) determines it to be applicable, the Recent Valuation (such valuation, the "**Control Valuation**") and will notify such amount

to the Calculation Agent. It will be the responsibility of the Calculation Agent to calculate whether a Control Valuation Event has occurred.

A "**Valuation Reduction Amount**" with respect to any Loan will be an amount, which shall be included in the Investors CREFC Quarterly Report, equal to the excess of:

(a) the outstanding principal balance of each Loan; over

(b) the excess of:

(i) 90 per cent. of the sum of the values set out in the respective Control Valuations obtained in respect of each Loan (including all reserves or similar amount which may be applied toward payments on each Loan) excluding the values of any Properties no longer held by a Borrower as at the testing date; over

(ii) the sum of:

(a) all unpaid interest on the Loans;

(b) any other unpaid fees, expenses and other amounts that are payable prior to amounts payable to the Issuer under the Loans; and

(c) all currently due and unpaid insurance premia and all other amounts due and unpaid with respect to the Loans.

17. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes will be prescribed and will become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

18. NOTICES

(a) **Notices given through Monte Titoli**

Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, will be deemed to have been duly given if given through the systems of Monte Titoli.

(b) **Notices in Ireland**

As long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of such exchange so require, any notice to Noteholders given by or on behalf of the Issuer will also be published on the website of the Irish Stock Exchange and will also be considered sent for the purposes of Directive 2004/109/CE. The website of the Irish Stock Exchange does not form part of the information provided for the purposes of this Offering Circular. Any such notice will be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

(c) **Copy of Notices to Rating Agencies**

A copy of each notice given in accordance with this Condition 18 will be provided to Fitch and DBRS for so long as, in each case, such rating agency publishes credit ratings in relation to the Notes to which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer, with the prior written approval of the Representative of the Noteholders, to provide a credit rating in respect of the Notes or any Class thereof. Unless the context otherwise requires, all references to rating and ratings in these Conditions shall be deemed to be references to the ratings assigned by the Rating Agencies.

(d) **Other Method of Giving Notice**

The Representative of the Noteholders will be at liberty to disregard any such method where if, in its sole opinion, the use of the methods described above would be unreasonable and/or contrary to the interests of the Noteholders, and to sanction some other method as reasonable having regard to market

practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and to applicable law and **provided that** notice of such other method is notified to the Noteholders, in accordance with applicable law and in such manner as the Representative of the Noteholders may require.

(e) **Verified Noteholder and Initiating Noteholder**

(i) Any Verified Noteholder will be entitled from time to time to request the Calculation Agent to publish a notice on its investor reporting website requesting other Verified Noteholders of any Class or Classes to contact it subject to and in accordance with the following provisions.

(ii) For these purposes, "**Verified Noteholder**" means a Noteholder which has satisfied the Calculation Agent that it is a Noteholder.

(iii) Following receipt of a request for the publication of a notice from a Verified Noteholder (the "**Initiating Noteholder**"), the Corporate Servicer shall publish such notice on its investor reporting website as an addendum to any Calculation Agent Quarterly Report or other report to Noteholders due for publication within five Business Days of receipt of the same (or, if there is no such report, through a special notice for such purpose as soon as is reasonably practical after receipt of the same) provided that such notice contains no more than:

(a) an invitation to other Verified Noteholders (or any specified Class or Classes of the same) to contact the Initiating Noteholder;

(b) the name of the Initiating Noteholder and the address, phone number, website or email address at which the Initiating Noteholder can be contacted; and

(c) the date(s) from, on or between which the Initiating Noteholder may be so contacted.

(iv) The Calculation Agent will not request and will not be permitted to publish any further or different information through this mechanism.

(v) The Calculation Agent will have no responsibility or liability for the contents, completeness or accuracy of any such published information and shall have no responsibility (beyond publication of the same in the manner described above) for ensuring Noteholders receive the same.

19. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Paying Agent or any paying agent appointed under Notes Condition 9(d) (*Change of Paying Agent and Appointment of Additional Paying Agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders will (in the absence of wilful default (*dolo*), gross negligence (*colpa grave*), fraud (*frode*) or manifest error) be binding on the Paying Agent or any paying agent appointed under Condition 9(d) (*Change of Paying Agent and Appointment of Additional Paying Agents*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders will attach to the Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

20. GOVERNING LAW AND JURISDICTION

(a) **Governing Law of the Notes**

The Notes and any non-contractual obligations arising out of them are governed by Italian law.

(b) **Governing Law of the Issuer Transaction Documents**

All the Issuer Transaction Documents (other than the Liquidity Facility Agreement and the English Security Agreement) and any non-contractual obligations arising out of them are governed by Italian

law. The Liquidity Facility Agreement and the English Security Agreement and any non-contractual obligations arising out of them are governed by English law.

(c) **Jurisdiction of Courts**

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any disputes related to any non-contractual obligations arising out of or in connection with the Notes.

21. NOTE MATURITY PLAN

If a Loan remains outstanding on the date occurring six months prior to the Final Maturity Date (the "**Note Maturity Plan Trigger Date**") and, in the opinion of the Delegate Special Servicer, all recoveries then anticipated by the Delegate Special Servicer with respect to that Loan (whether by enforcement of the Loan Transaction Security or otherwise) are unlikely to be realised in full prior to the Final Maturity Date, the Delegate Special Servicer will within 45 days of the Note Maturity Plan Trigger Date be required to prepare a selection of proposals (the "**Note Maturity Plan**") and present it to the Issuer, the Noteholders and the Representative of the Noteholders relating to the final disposal or other resolution of each Loan, which assumes that the Notes are not repaid on the Final Maturity Date. At least one proposal provided by the Delegate Special Servicer must be that the Representative of the Noteholders, at the cost of the Issuer, will engage an independent financial advisor or a receiver to advise the Representative of the Noteholders on and/or to effect the realisation of the assets of the Issuer for the purposes of redeeming the Notes.

Upon receipt of the Note Maturity Plan, the Representative of the Noteholders will be required to convene a meeting of all Noteholders, at the cost of the Issuer, whereby the Noteholders will have the opportunity to discuss the various proposals contained in the Note Maturity Plan with the Delegate Special Servicer. Following such meeting, the Delegate Special Servicer will have the opportunity to modify the Note Maturity Plan and will provide a final Note Maturity Plan (the "**Final Note Maturity Plan**") to the Issuer, the Noteholders and the Representative of the Noteholders.

Upon receipt of the Final Note Maturity Plan, the Representative of the Noteholders will be required to either (at the direction of the Delegate Special Servicer) (i) convene (at the cost of the Issuer) a meeting of the Noteholders of the Most Senior Class of Notes outstanding at which the Noteholders of such Class will be requested to select by way of Ordinary Resolution their preferred option among the proposals set forth in the Final Note Maturity Plan or (ii) request, at the cost of the Issuer, the approval of the holders of the Most Senior Class of Notes of their preferred option among the proposals set forth in the Final Note Maturity Plan by way of Written Ordinary Resolution. The proposal that receives approval of the holders of the Most Senior Class of Notes then outstanding by way of Ordinary Resolution or Written Ordinary Resolution, as applicable, will be implemented. If no proposal receives the approval of the holders of the Most Senior Class of Notes then outstanding by way of Ordinary Resolution at such meeting then the Representative of the Noteholders will be deemed to be directed by all the Noteholders to appoint a receiver in order to realise the secured assets of the Issuer pursuant to the Issuer Security Documents.

22. CERTAIN DEFINITIONS

In these Conditions, the following expressions have the following meanings:

"**Calculation Agent**" means Zenith Service S.p.A., or any successor Calculation Agent appointed from time to time pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Agent Quarterly Report**" means, on each Calculation Date, a report prepared and distributed by the Calculation Agent to, inter alios, the Issuer, the Originator, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Corporate Servicer, the Paying Agent, the Issuer Account Bank, the Representative of the Noteholders and the Rating Agencies in respect of the current Note Interest Period in which it will notify the recipients of, among other things, all amounts received in the Issuer Accounts, all payments to be made and any other apportionments to be made with respect thereto on the immediately following Note Payment Date including but not limited to:

(a) any Administrative Fees;

(b) any Class X Interest Amount;

(c) any Note Premium Amount;

(d) any amount of interest and principal to be paid under the Notes;

(e) any Deferred Interest;

(f) the Interest Amount and the Class D Interest Available Funds Cap, if applicable;

(g) any Subordinated Class X Amount;

(h) any Liquidity Drawings; and

(i) any amount due to the Liquidity Facility Provider.

"**Calculation Date**" means the date falling two Business Days prior to each Note Payment Date.

"**Calvino Extension Fee**" means the extension fee equal to 1.0 per cent. of the Calvino Loan to be paid by the Calvino Borrower on the Loan Payment Date falling immediately after 31 July 2018, for the purpose of exercising the option to extend the Calvino Loan Maturity Date to the Loan Payment Date falling in August 2019.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement dated on or about the Closing Date entered into between, amongst others, the Issuer, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Issuer Account Bank and the Paying Agent.

"**Class X Available Amount**" means, in relation to a Note Payment Date, an amount, as calculated by the Calculation Agent on the Calculation Date immediately preceding such Note Payment Date, equal to the excess of:

(i) the Interest Available Funds received during the immediately preceding Loan Interest Period and credited to the Issuer Collection Account, excluding any amounts that are Liquidity Drawings;

over

(i) the sum of:

(a) any Issuer Priority Payments made after the preceding Note Payment Date and made or to be made up to such Note Payment Date; and

(b) all payments to be made on such Note Payment Date under items (i) through (xviii) the Pre-Note Enforcement Notice Priority of Payment or under items (i) through (xiv) the Post-Note Enforcement Notice Priority of Payments, other than: (x) amounts identified thereunder as the Class X Interest Amount, and (y) amounts identified thereunder as principal payments on any Class of Notes.

"**Class X Interest Amount**" means the amount determined by multiplying the Principal Amount Outstanding of the Class A Notes by the Class X Percentage.

"**Class X Percentage**" means an amount, expressed as a percentage, equal to the Class X Available Amount divided by the Principal Amount Outstanding of the Class A Notes.

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

(a) the occurrence of a Note Payment Date after the Expected Maturity Date;

(b) the occurrence of a Special Servicer Transfer Event on any Loan; or

(c) the occurrence of an Insolvency Event in relation to the Issuer; or

(d) the delivery of a Note Enforcement Notice.

"**Clearstream**" means Clearstream Banking, *société anonyme*, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

"**Closing Date**" means 12 February 2015.

"**CONSOB**" means the Italian securities and exchange commission *Commissione Nazionale per le Società e la Borsa*.

"**Corporate Servicer**" means Zenith Service S.p.A., or any successor Corporate Servicer appointed from time to time pursuant to the Corporate Services Agreement.

"**Corporate Services Agreement**" means the corporate services agreement dated on or about the Closing Date between the Corporate Servicer and the Issuer, under which the Corporate Servicer has agreed to provide certain corporate administration, accounting, administrative and management services to the Issuer in relation to the Securitisation.

"**Delegate Primary Servicer**" means Mount Street Mortgage Servicing Limited or any successor Delegate Primary Servicer appointed from time to time pursuant to the Delegate Servicing Agreement.

"**Delegate Servicing Agreement**" means the servicing agreement entered into on or about the Closing Date between the Master Servicer, the Delegate Primary Servicer and the Delegate Special Servicer.

"**Delegate Special Servicer**" means Mount Street Mortgage Servicing Limited or any successor Delegate Special Servicer appointed from time to time pursuant to the Delegate Servicing Agreement.

"**Disenfranchised Noteholder**" means (i) the Issuer (ii) any Loan Obligor and (iii) any affiliate of any Loan Obligor or the Issuer.

"**English Security Agreement**" means the English law governed security agreement entered into on or about the Closing Date between the Issuer and the Representative of the Noteholders, under which the Issuer will agree to assign by way of security to the Representative of the Noteholders.

"**Euroclear**" means Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium, as operator of the Euroclear system.

"**Expense Drawing**" means a drawing to cover any Expenses Shortfall which the Calculation Agent determines will exist on any Business Day.

"**Expenses Shortfall**" means an amount equal to, on any Business Day, the amount determined by the Calculation Agent by which the aggregate amount owed to any Connected Third Party Creditor exceeds the aggregate of (i) amounts standing to the credit of the Issuer Expenses Account, and (ii) amounts standing to the credit of the Issuer Collection Account.

"**Globe Loan**" means a €115,000,000 term loan made available pursuant to a loan agreement dated 24 November 2014 between Dima S.r.l., Falcone Immobiliare S.r.l. and Palladio Immobiliare S.r.l., the Globe Company, each Globe Guarantor, the Originator as original lender, Bank of America Merrill Lynch International Limited as mandated lead arranger, Mount Street Mortgage Servicing Limited as agent of the other Loan Finance Parties and Zenith Service S.p.A., as security agent for the Loan Finance Parties, as amended by the Globe Loan Agreement.

"**Intercreditor Agreement**" means the intercreditor agreement dated on or about the Closing Date between, inter alios, the Issuer, the Representative of the Noteholders, the Originator and the Master Servicer. Under the Intercreditor Agreement, provision is made for the Issuer to covenant to the Noteholders and the Other Issuer Secured Creditors (together, the "**Issuer Secured Creditors**") in the terms set out in the Conditions and in relation to the Issuer Accounts and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Loans.

"**Interest Available Funds**" means in respect of any Note Payment Date, the aggregate of:

(a) all amounts paid in respect of the Receivables (other than in respect of any Receivables for which the Relevant Loan Value has been paid) on account of interest (including any default interest but excluding

the Interest Consideration), indemnities, fees, breakage costs, expenses and commissions during the immediately preceding Loan Interest Period and credited to the Issuer Collection Account;

(b) all Recoveries in respect of interest collected by the Delegate Primary Servicer or Delegate Special Servicer during the immediately preceding Loan Interest Period and credited to the Issuer Collection Account (other than in respect of any Loan for which the Relevant Loan Value has been paid);

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

(d) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer Accounts during the immediately preceding Loan Interest Period (other than in respect of any Loan for which the Relevant Loan Value has been paid);

(e) the Relevant Loan Value paid under the Loan Portfolio Sale Agreement, if any, excluding the principal element thereof during the immediately preceding Loan Interest Period; and

(f) all other items and payments received by the Issuer which do not qualify as Principal Available Funds and which have been credited to the Issuer Collection Account during the immediately preceding Loan Interest Period (other than in respect of any Loan for which the Relevant Loan Value has been paid).

"**Interest Drawing**" means a drawing to cover any Interest Shortfall (as determined by the Calculation Agent on a Calculation Date) which will exist on the following Note Payment Date.

"**Interest Shortfall**" means an amount equal to, on any Calculation Date, the amount determined by the Calculation Agent by which the Issuer Available Funds (excluding any amount payable in respect of (i) Principal Payment Amounts; and (ii) any Liquidity Drawing made on that day) are lower than the aggregate amount of payments of interest due on the Note Payment Date following such date in respect of interest payable on the Most Senior Class of Notes then outstanding and payments senior thereto in accordance with the Pre-Note Enforcement Notice Priority of Payments. For the avoidance of doubt the Liquidity Facility cannot be drawn to cover shortfalls in funds available to the Issuer to pay any amounts in respect of Note Premium Amounts or any payment on the Class X Detachable Coupon.

"**Issuer Account Bank**" means Elavon Financial Services Limited acting through its UK branch or any successor Issuer Account Bank appointed from time to time pursuant to the Cash Allocation, Management and Payments Agreement.

"**Issuer Available Funds**" means in respect of any Note Payment Date, the aggregate of the Interest Available Funds and the Principal Available Funds.

For the avoidance of doubt, any Temporary Drawing made with respect to a Note Payment Date - while being applied in lieu of a portion of the Interest Available Funds corresponding to its amount in order to meet payments to be made on such Note Payment Date under items (i) through (vi) and under items (viii), (x) and (xii) of the Pre-Note Enforcement Notice Priority of Payment - will not constitute Issuer Available Funds for any other purpose under these Conditions or the other Issuer Transaction Documents.

"**Issuer Collection Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN:DE79500700100924895600, Account number: 732241-01), as the same may be renumbered or redesignated from time to time, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Issuer Expenses Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: DE79500700100924895600, Account number: 732241-05), or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Issuer Expenses Account Retention Amount**" means an amount being equal to €50,000.

"**Issuer Payments Account**" means the euro denominated account established in the name of the Issuer with the Issuer Account Bank (IBAN: DE79500700100924895600, Account number: 732241-02) or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Issuer Stand-by Account**" means the euro denominated account which may be established in the name of the Issuer or such other substitute account opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Lead Manager**" means Merrill Lynch International.

"**Liquidity Drawing**" means each of the following: an Expense Drawing, an Interest Drawing, a Property Protection Drawing and a Temporary Drawing.

"**Liquidity Facility Agreement**" means the liquidity facility agreement entered into on or prior the Closing Date between the Issuer, the Liquidity Facility Provider, the Representative of the Noteholders, the Delegate Primary Servicer, the Delegate Special Servicer and the Calculation Agent, under which the Liquidity Facility Provider (being Bank of America N.A, Milan Branch) will provide to the Issuer a renewable 364-day committed revolving loan facility (the "**Liquidity Facility**") expiring on the Liquidity Facility Term Date

"**Liquidity Facility Provider**" Bank of America, N.A., Milan Branch, at Via Manzoni 5, Milan, Italy.

"**Liquidity Subordinated Amounts**" are any amounts in respect of increased costs and tax gross up amounts then payable to the Liquidity Facility Provider to the extent that such amounts exceed 2.00 per cent. per annum of the then commitment provided under the Liquidity Facility Agreement (whether drawn or undrawn).

"**Loan**" means the Globe Loan, the Calvino Loan and/or the Fashion District Loan.

"**Loan Event of Default**" means any of a Globe Loan Event of Default, a Calvino Loan Event of Default or a Fashion District Loan Event of Default.

"**Loan Interest Period**" means, with respect to each Loan, each interest period for that Loan, which shall start on the date it is utilised or (if already made) on the relevant Loan Payment Date (included) and end on the immediately following relevant Loan Payment Date (excluded), the last Loan Interest Period for a Loan shall end on the relevant Loan Maturity Date.

"**Loan Obligor**" means, with respect to any Loan, a Borrower or any other obligor under the terms of the related Loan Finance Documents.

"**Loan Portfolio**" means the portfolio of Receivables comprising claims arising from the Loans, all Loan Transaction Security and any other related documents purchased on 23 January 2015 by the Issuer pursuant to the terms and conditions of the Loan Portfolio Sale Agreement.

"**Loan Portfolio Sale Agreement**" means the agreement entered into by the Originator and the Issuer entered into a Loan Portfolio sale agreement dated 23 January 2015 pursuant to which the Originator has assigned and transferred to the Issuer, and the Issuer has purchased, as a pool and without recourse (*pro soluto*), all of the rights, title and interest in and to the Receivables.

"**Master Definitions and Construction Schedule**" is attached as a schedule to the Intercreditor Agreement. In this Schedule the definitions, principles of construction and the common terms used in the Issuer Transaction Documents will be agreed by the Other Issuer Secured Creditors as parties to the Issuer Transaction Documents.

"**Master Servicer**" means Zenith Service S.p.A. or any successor Master Servicer appointed from time to time pursuant to the Master Servicing Agreement.

"**Master Servicing Agreement**" means the master servicing agreement entered into on or about the Closing Date between the Issuer, the Master Servicer and the Representative of the Noteholders.

"**Note Event Of Default**" means each of the events described in Condition 11 (*Note Events of Default*) of these Conditions.

"**Note Maturity Plan Trigger Date**" means on the date occurring six months prior to the Final Maturity Date.

"**Quarterly Investor Report**" means, a report to be delivered by the Delegate Primary Servicer on each Note Payment Date, containing the following information on the Loan Portfolio in respect of each Loan Interest Period immediately preceding such Note Payment Date:

(a) the LTV Covenant compliance of the Loans calculated in accordance with the methodologies for determining compliance with the related covenant under the relevant Loan Agreement;

(b) the DSCR covenant compliance of the Loans calculated in accordance with the methodologies for determining compliance with the related covenant under the relevant Loan Agreement;

(c) portfolio summary by region;

(d) portfolio summary by property type;

(e) current and historical property disposals;

(f) the information provided by the Loan Obligors pursuant to the information covenants contained in the Loan Agreements; and

(g) general information in relation to the Loans including cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data.

"**Note Portion Factor**" means, with respect to any Loan and any Note Payment Date: (a) 1.00 minus (b) a fraction equal to: (i) the Loan Excess for such Loan during the immediately preceding Loan Interest Period, divided by (ii) the Loan Margin for such Loan.

"**Offering Circular**" means the final offering circular dated 11 February 2015 prepared by the Issuer in connection with the issuance of the Notes.

"**Originator**" means Bank of America, N.A., Milan Branch.

"**Other Issuer Secured Creditor Fees and Expenses**" means the fee owed to the Master Servicer, the Primary Servicing Fee, the Recovery Fee, the Special Servicing Fees, the Liquidation Fee, the Workout Fee, the Liquidity Commitment Fee, the Servicer Modification Fee and other fees and expenses of the Issuer pursuant to the Issuer Transaction Documents.

"**Other Issuer Secured Creditors**" means the Originator, the Issuer, the Master Servicer, the Delegate Primary Servicer, the Delegate Special Servicer, the Quotaholder, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Liquidity Facility Provider, the Paying Agent, the Issuer Account Bank, the Sole Arranger, the Sole Bookrunner and the Lead Manager and any other entity becoming a party to the Intercreditor Agreement, as a beneficiary, from time to time and each, an "**Other Issuer Secured Creditor**".

"**Pledge Agreement**" refers to the pledge agreement dated on or about the Closing Date between the Issuer and the Representative of the Noteholders under which the Issuer will grant a pledge in favour of the Representative of the Noteholders (acting for itself and as agent (mandatario con rappresentanza) for and on behalf of the Noteholders and the Other Issuer Secured Creditors) pursuant to the Rules and the Intercreditor Agreement, for the creation and management of a pledge on all the existing and future monetary rights (including the claims, indemnities, compensation for damages, penalties, credit rights and guarantees, but excluding the Receivables) to which the Issuer is, or will be, entitled to (under the terms of certain Issuer Transaction Documents (governed by Italian law)) entered into by the Issuer in the context of the Securitisation and under which the Issuer may have monetary rights and claims, as security for all the Secured Obligations.

"**Principal Available Funds**" means, in respect of any Note Payment Date and, with reference to payments received by the Issuer during the Loan Interest Period immediately preceding such Note Payment Date, the aggregate of all payments and repayments of principal received or recovered by or on behalf of the Issuer, in connection with the Loans (other than Loans for which an Relevant Loan Value has been paid), including, without limitation all amounts received or recovered by or on behalf of the Issuer in respect of:

(a) all repayments and pre-payments of principal outstanding under the Receivables (other than in respect of any Receivables for which the Relevant Loan Value has been paid) and the amount allocated to

principal in respect of any proceeds received on a purchase by the Delegate Special Servicer of any Receivables or the sale of any Receivables to a third party pursuant to the Master Servicing Agreement or the Delegate Servicing Agreement as applicable;

(b) amounts recovered in respect of the Receivables which are applied towards the reduction of outstanding principal as a result of any action taken to enforce the Loans (other than in respect of any Receivables for which the Relevant Loan Value has been paid) and/or the Loan Transaction Security; and

(c) the principal element of the Relevant Loan Value under the Loan Portfolio Sale Agreement.

"**Property**" means any of the Globe Properties, the Calvino Properties or the Fashion District Properties.

"**Property Protection Drawing**" means if the Calculation Agent has received notice from the Delegate Primary Servicer or the Delegate Special Servicer of a Property Protection Shortfall.

"**Property Protection Shortfall**" means, on any Business Day, (i) in respect of any urgent capital expenditure as set out in paragraph (b) of the definition of Issuer Priority Payments, that portion of such urgent capital expenditure that the Corporate Servicer determines cannot be funded from amounts standing to the credit of the Issuer Expenses Account and/or the Issuer Collection Account and (ii) in respect of a Property Protection Advance, an amount equal to the amount of such Property Protection Advance.

"**Quotaholder**" means Stichting SFM Italy No. 1.

"**Quotaholder Agreement**" the quotaholder's agreement entered into on or about the Closing Date between the Issuer, the Quotaholder and the Representative of the Noteholders whereby the Quotaholder has, inter alia, assumed certain undertakings in relation to the management of the Issuer and the exercise of its rights as quotaholder for the benefit of the Issuer Secured Creditors.

"**Rating Agencies**" means DBRS Ratings Limited ("**DBRS**") and Fitch Ratings Ltd ("**Fitch**") and each, a "**Rating Agency**".

"**Securitisation**" means the securitisation of the Loan Portfolio made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law and the "**Loan Portfolio**" means the portfolio of Receivables comprising claims arising from the Loans, all Loan Transaction Security and any other related documents purchased on 23 January 2015 by the Issuer pursuant to the terms and conditions of the Loan Portfolio Sale Agreement.

"**Securitisation Law**" means Italian law number 130 of 30 April 1999.

"**Servicer Modification Fee**". In addition to the payment of the Primary Servicing Fee, the Delegate Primary Servicer shall also be entitled to receive a fee (the "**Servicer Modification Fee**") in an amount it negotiates with the relevant Borrower provided that:

(a) the receipt of such fee would be consistent with the Servicing Standard;

(b) such fee can be recovered from the Loan Obligors or any of their affiliates (or from proceeds/collections from the Properties based on the current valuations and the Delegate Primary Servicer's estimate of income on the Properties) without resulting in any shortfall in other amounts due under the terms of the relevant Loan; and

(c) the payment of such fee would not result in any shortfall in current interest due on the relevant Loan at its original terms (other than as a result of any reduction in the interest rate of the relevant Loan that is permitted as described herein).

"**Sole Arranger**" means Bank of America Merrill Lynch ("**Merrill Lynch International**").

"**Special Servicer**" means the Master Servicer, in its capacity of provider of the Special Services.

"**Special Servicer Transfer Event**" means that in the event any of the following occurs, the Loan will become subject to such an event:

(a) a payment default occurs on the Loan Maturity Date (as the same may have been extended pursuant to any extension provisions existing under the terms of the Loan Agreement at the Closing Date);

(b) any payment by any Loan Obligor under any Loan Finance Document, different from those under paragraph (a) above, if any, being more than 30 days overdue;

(c) any of the Calvino Borrower, the Fashion District Borrower or, with regard to the Globe Loan, any Loan Obligor or any SGR under the relevant Loan Agreement becoming the subject of any insolvency proceedings, creditors' process or certain other insolvency related events (as provided for under the relevant Loan Agreement) which, in the case of an SGR, do not result in the SGR being replaced within 6 (six) months;

(d) the occurrence of a Loan Event of Default arising as a result of any cross-default or the Delegate Primary Servicer or the Delegate Special Servicer, as the case may be, receiving a notice of the enforcement of or realisation on any Loan Transaction Security; or

(e) subject to any waiver granted pursuant to clause 6.3 (***Waiver of Financial Covenant Breach***) of the Master Servicing Agreement, any other default, as prescribed under any Loan Agreement, which is not cured within the applicable cure period, or which, in the opinion of the Delegate Primary Servicer, exercised in accordance with the Servicing Standard, is imminent and not likely to be cured within 21 days, and would be likely, in the opinion of the Delegate Primary Servicer, to have a material adverse effect upon the interests of the Issuer.

"**Specially Serviced Loan**" means a Loan in respect of which the Primary Servicer or Delegate Primary Servicer, as applicable, has determined that a Special Servicer Transfer Event has occurred pursuant to clause 6.4(d) of the Master Servicing Agreement or clause 5.4(d) of the Delegate Servicing Agreement, as applicable.

"**Subordinated Class X Amounts**" means all Class X Interest Amounts (as defined in Condition 6(e)(v) (*Rates of Interest*)) accruing after the occurrence of a Class X Trigger Event.

"**Subscription Agreement**" the subscription agreement dated on or about the Closing Date between the Issuer, the Originator, the Sole Arranger and the Lead Manager, under which the Lead Manager has agreed to subscribe and pay the Issuer for the Notes at their Issue Price of 100 per cent. of the Principal Amount Outstanding of the Notes upon issue.

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

"**Temporary Shortfall**" means an amount equal to the portion of the Issuer Available Funds related to a Note Payment Date that has not been timely paid by one or more Borrowers on the immediately preceding Loan Payment Date concerning the Globe Loan or the Fashion District Loan equal to the aggregate payments to be made on such Note Payment Date under items (i) through (vi) and under items (viii), (x) and (xii) of the Pre-Note Enforcement Notice Priority of Payment.

"**Temporary Drawing**" means a drawing made, in accordance with and subject to the conditions set out by the Liquidity Facility Agreement in relation to such drawing, to cover any Temporary Shortfall (as determined by the Calculation Agent on a Calculation Date) which will exist on a Note Payment Date.

"**Verified Noteholder**" means a Noteholder which has satisfied the Calculation Agent that it is a Noteholder.

"**Written Ordinary Resolution**" means an Ordinary Resolution passed in writing by holders of 50.1 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes entitled to vote at a Meeting and it will have the same effect as an Ordinary Resolution.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES - RULES OF THE ORGANISATION OF THE NOTEHOLDERS

GENERAL PROVISIONS

Article 1

General

1. The Organisation of Noteholders is created upon the issue and the subscription of the Notes and shall remain in force and in effect until full repayment or cancellation of the Notes.

2. The contents of these Rules are deemed to form part of each Note and are binding on each Noteholder.

Article 2

Definitions

1. In these Rules, the following expressions have the following meanings:

"**24 hours**" means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting is to be held and in the place where the Paying Agent has its specified office and such period shall be extended by one period or, to the extent necessary, more calendar days (or part thereof) until there is included as aforesaid all a day upon which banks are open for business as aforesaid;

"**48 hours**" means two consecutive periods of 24 hours;

"**Basic Terms Modification**" means any proposal:

(i) to make any modification of any date of payment of principal or interest on any Notes;

(ii) to make a modification of the currency in which payments due in respect of any Notes are payable;

(iii) to reduce (if the Notes have a floating interest rate) the margin of such floating interest rate or (if the Notes have a fixed interest rate) the amount of the fixed interest rate applicable to any Notes or to change the interest rate from floating to fixed or *vice versa*;

(iv) to reduce or cancel the amount of principal due in respect of the Notes;

(v) to make a modification which would have the effect of altering the majority required to pass a resolution or the quorum required at any Meeting or a modification of the holding of Notes required to give directions to the Representative of the Noteholders under these Rules or the Conditions;

(vi) to make a modification of the ranking of payments of interest or principal due on the Notes in the Priority of Payments;

(vii) to appoint or terminate the appointment of any number of Noteholders or other persons as a committee of the Noteholders and to delegate to such committee powers which pursuant to Article 6 (*Powers Exercisable by Extraordinary Resolution—Ordinary Resolution—Class X Entrenched Rights*) are exercisable by the Meeting in relation to matters which constitute a Basic Terms Modification pursuant to this definition;

(viii) to release the Issuer Security or to modify any provisions in respect of the Issuer Security other than in accordance with the Issuer Transaction Documents;

(ix) a modification to clause 6.6 (*Controlling Class and Operating Advisor*) of the Master Servicing Agreement or to clause 5.6 (*Controlling Class and Operating Advisor*) of the Delegate Servicing Agreement;

(x) a modification of the definition of Controlling Class;

(xi) a modification of a Loan Maturity Date (as the same may be extended under the respective Loan Agreement) to a date which is later than the date which is 12 months after the Expected Maturity Date;

(xii) to amend this definition;

"**Blocked Notes**" means Notes which have been blocked with the relevant Monte Titoli Account Holder pursuant to the Joint Regulation or in an account with another clearing system or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining from the Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required;

"**Block Voting Instruction**" means, in relation to any Meeting, a document issued by the Paying Agent:

(i) certifying that certain specified Notes have been blocked in an account with a clearing system and will not be released until the earlier of:

(a) the conclusion of the Meeting; and

(b) the surrender to the Paying Agent not less than 48 Hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(ii) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

(iii) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(iv) authorising a named individual or individuals to vote in respect of the Blocked Notes in accordance with such instructions;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Milan, Dublin and Luxembourg and any day on which TARGET2 is open for the settlements of payments in Euro.

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 13 (*Chairman of the Meeting*);

"**Class A Noteholders**" means the holders of the Class A Notes;

"**Class A Notes**" means the €206,000,000 Class A Commercial Mortgage Backed Notes due February 2027;

"**Class B Noteholders**" means the holders of the Class B Notes;

"**Class B Notes**" means the €23,000,000 Class B Commercial Mortgage Backed Notes due February 2027

"**Class C Noteholders**" means the holders of the Class C Notes;

"**Class C Notes**" means the €34,250,000 Class C Commercial Mortgage Backed Notes due February 2027

"**Class D Noteholders**" means the holders of the Class D Notes;

"**Class D Notes**" means the €23,175,000 Class D Commercial Mortgage Backed Notes due February 2027

"**Class X Entrenched Rights**" has the meaning ascribed to it in Article 6.3;

"**Class X Detachable Coupon Holder**" means the holders of the Class X Detachable Coupons;

"**Class X Detachable Coupon**" means the Class X Commercial Mortgage Backed Detachable Coupon;

"**Classes of Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class X Detachable Coupons, and "**Class of Notes**" means any of them **provided that** the holders of the Class X Detachable Coupon will only be entitled to participate and to vote at a Meeting held to decide upon resolutions specifically presented to them by request of the Delegate Primary Servicer or the Delegate Special Servicer or a Class X Entrenched Right;

"**Conditions**" means the terms and conditions of the Notes as from time to time modified in accordance with the Rules of the Organisation of the Noteholders and including any other document expressed to be supplemental thereto and any reference to a particular Condition will be construed accordingly;

"**Extraordinary Resolution**" means a resolution of a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve upon any of the matters listed in Article 6 (*Powers Exercisable by Extraordinary Resolution—Ordinary Resolution—Class X Entrenched Rights*);

"**holder**" in respect of a Note means the ultimate owner of such Note;

"**Issuer**" means Taurus 2015-1 IT S.r.l.;

"**Joint Regulation**" means the regulation issued by Bank of Italy and CONSOB on 22 February 2008 as subsequently amended on 24 December 2010 (*Regolamento recante la disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione*), as amended from time to time;

"**Meeting**" means a meeting of the Noteholders of the relevant Class, both in first and in second call, as the context may require;

"**Monte Titoli**" means Monte Titoli S.p.A.;

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (as *intermediari aderenti*) in accordance with the Financial Act and includes any depositary banks approved by Clearstream and Euroclear;

"**Most Senior Class of Notes**" means at any time:

(i) the Class A Notes; or

(ii) if no Class A Notes are then outstanding, the Class B Notes (if at that time any Class B Notes are then outstanding); or

(iii) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (if at that time any Class C Notes are then outstanding); or

(iv) if no Class A Notes, Class B Notes or Class C Notes are then outstanding, the Class D Notes (if at that time any Class D Notes are then outstanding),

for the avoidance of doubt, the Class X Detachable Coupon will not be a Most Senior Class of Notes;

"**Noteholders**" means the holders of the Class A Notes and/or the holders of the Class B Notes and/or the holders of the Class C Notes and/or the holders of the Class D Notes and/or the holders of the Class X Detachable Coupons, as the context may require;

"**Notes**" means the Class A Notes and/or the Class B Notes and/or the Class C Notes and/or the Class D Notes and/or the Class X Detachable Coupons, as the context may require and any reference in these Rules to the "**Notes**" shall include a reference to the Conditions thereof and to these Rules;

"**Ordinary Resolution**" means a resolution of a Meeting duly convened and held in accordance with the provisions contained in these Rules on any matter that pursuant to these Rules shall be passed by Ordinary Resolution as set out by Article 6;

"**Paying Agent**" means Elavon Financial Services Limited, in its capacity as paying agent;

"**Principal Amount Outstanding**" means with respect to the Notes or a Class of Notes (other than the Class X Detachable Coupon which will not have a Principal Amount Outstanding at any time) at any date, the principal amount of the Notes or the relevant Class of Notes upon issue less the aggregate amount of all principal payments in respect of the Notes or the relevant Class of Notes that have been made prior to such date;

"**Priority of Payments**" means, as applicable, either the Pre-Note Enforcement Notice Priority of Payments, or, as applicable, the Post-Note Enforcement Notice Priority of Payments;

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(i) any such person whose appointment has been revoked and in relation to whom the Issuer or the Paying Agent has been notified in writing of such revocation prior to 48 hours before the time fixed for such Meeting; and

(ii) any such person appointed to vote only at a first call Meeting which has been held in second call for want of a quorum and who has not been reappointed to vote at the second call Meeting;

"**Relevant Classes of Noteholders**" means, at any time, the Controlling Class at such time and each Class of Notes (if any) ranking in point of priority senior thereto but not, for the avoidance of any doubt, any Classes ranking in point of priority subordinate to the Controlling Class at such time.

"**Relevant Fraction**" means, both in first and in second call:

(i) for voting on any matter that pursuant to these Rules shall be passed by Ordinary Resolution, at least 25 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes;

(ii) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, 50.1 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes; and

(iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to the holders of each Class of Notes), 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes;

provided, however, that, in the case of a Meeting held in second call for want of a quorum it means:

(i) for voting on any matter that pursuant to these Rules shall be passed by Ordinary Resolution, Principal Amount Outstanding of the relevant Class(es) of Notes represented or held by the Voters actually present at the Meeting;

(ii) for voting on an Extraordinary Resolution other than one relating to a Basic Terms Modification or to a Class X Entrenched Right, of the Principal Amount Outstanding of the relevant Class(es) of Notes represented or held by the Voters actually present at the Meeting; and

(iii) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed to the holders of each Class of Notes) or to a Class X Entrenched Right, $33^{1}/_{3}$ per cent. of the Principal Amount Outstanding of the relevant Class of Notes;

"**Representative of the Noteholders**" means Zenith Service S.p.A., in its capacity as the initial legal representative of the Organisation of Noteholders and includes reference to any substitute representative of the Noteholders appointed pursuant to these rules from time to time and to any temporary representative of the Noteholder appointed pursuant to paragraph 6 of Article 28 (*Appointment and Removal*) of these Rules;

"**Resolutions**" means Extraordinary Resolutions and/or Ordinary Resolutions;

"**Rules**" means these Rules of the Organisation of Noteholders;

"**Voter**" means, in relation to any Meeting, (i) the holder of or a Proxy named in a Voting Certificate, (ii) the bearer of a Voting Certificate issued by the Paying Agent or (iii) a Proxy named in a Block Voting Instruction;

"**Voting Certificate**" means, in relation to any Meeting:

(i) a certificate issued by a Monte Titoli Account Holder in accordance with the Joint Regulation stating that the bearer of the certificate is entitled to attend and vote at such Meeting in respect of certain Blocked Notes; or

(ii) a certificate issued by the Paying Agent stating that:

(a) Blocked Notes will not be released until the earlier of:

(A) a specified date which falls after the conclusion of the Meeting; and

(B) the surrender of such certificate to the Paying Agent; and

(b) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes;

"**Written Resolution**" means a resolution in writing signed by or on behalf of:

(i) with regard to an Extraordinary Resolution - the holders of three quarters of the Principal Amount Outstanding of the relevant Class(es) of Notes,

(ii) with regard to an Ordinary Resolution - the holders of 50.1 per cent. of the Principal Amount Outstanding of the relevant Class(es) of Notes,

in each case who for the time being are entitled to vote at a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed on or about the same date by or on behalf of one or more such holders of Notes.

Capitalised terms not defined herein shall have the meaning attributed to them in the Conditions and the rules of interpretation in the Conditions shall apply as if set out herein in full.

Any reference in these Rules to an "**Article**" is, unless otherwise stated, to an article hereof.

THE ORGANISATION

Article 3

Organisation Purpose

1. The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any appropriate action in order to protect their common interests.

2. Each Noteholders shall become a member of the Organisation of Noteholders upon its subscription or purchase of Notes and shall remain a member of the Organisation of Noteholder until it transfers its whole holding of such Notes or such Notes are redeemed or cancelled.

3. No Noteholder can be expelled (and no noteholder can resign) from the Organisation of Noteholders for so long as it shall hold Notes.

Article 4

Individual Actions and Remedies

1. Subject to paragraph 3 of this Article 4 (*Individual Actions and Remedies*), no individual action or remedy can be taken by a Noteholder to enforce its rights under the Notes unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 4 (*Individual Actions and Remedies*).

2. The right of each Noteholder to bring individual actions or take other individual remedies to enforce its rights under the Notes is subject to the Meeting not passing a resolution objecting to such individual action or other remedy on the grounds that it is not convenient at the time when the Meeting is held, having regard to the common interests of the Noteholders. In this respect, the following provisions shall apply:

   (i) any Noteholder intending to enforce its rights under the Notes will notify the Representative of the Noteholders of its intention;

   (ii) the Representative of the Noteholders will, without delay, call for the Meeting as set out in these Rules;

   (iii) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has lapsed); and

   (iv) if the Meeting passes a resolution that does not object to the enforcement of the individual action or remedy, or no resolution is taken by the Meeting for want of quorum, the Noteholder will not be prohibited from taking such individual action or remedy.

3. For the avoidance of doubt, when pursuant to Condition 11 (*Note Events of Default*) and/or Condition 12 (*Enforcement*) the Representative of the Noteholders is bound to take action as a result of (i) the occurrence of a Note Event of Default or a Note Enforcement Notice having been served upon the Issuer, (ii) the Representative of the Noteholder having been so directed by Extraordinary Resolution and (iii) having been indemnified and/or secured and/or prefunded to its satisfaction, if the Representative of the Noteholders fails to take such action within a reasonable period and such failure is continuing, each Noteholders shall be entitled to proceed directly against the Issuer or to take any action in the liquidation or winding up proceedings of the Issuer.

Article 5

Primacy of the Intercreditor Agreement

1. The Notes are subject to the provisions of the Intercreditor Agreement, which is deemed to be known and fully agreed by each Noteholder and the rights and obligations of the Noteholders under these Rules are subject to the provisions of the Intercreditor Agreement and the Conditions.

THE MEETING OF NOTEHOLDERS

Article 6

Powers Exercisable by Extraordinary Resolution—Ordinary Resolution—Class X Entrenched Rights

1. Subject to Article 5 (*Primacy of the Intercreditor Agreement*) and to Article 7 (*Meeting when more than one Class of Notes are Outstanding*), the Meeting of the Noteholders shall have the following powers exercisable by Extraordinary Resolution:

   (i) power to sanction any Basic Terms Modification;

   (ii) power to sanction any proposal by the Issuer or any other party for any modification, variation, termination or compromise in respect of the rights of the Noteholders under the Notes in relation to the Issuer or any of its assets or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes, whether such rights or obligations shall arise under the Notes, any Issuer Transaction Document or otherwise;

   (iii) power to consent to any modification of the provisions contained in any Issuer Transaction Document which shall be proposed to be made by the Issuer and/or the Representative of the Noteholders or otherwise;

   (iv) power to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute a Note Event of Default under the Notes or to declare that any Note Event of Default shall not be considered as such;

   (v) power to authorise the Issuer to waive any breach or authorise any proposed breach by any party to any Issuer Transaction Document of its obligations thereunder;

   (vi) power to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes (including, for the avoidance of doubt, with or without release of the Issuer (or any previous substitute) (*accollo privativo* or *accollo non privativo*));

   (vii) power to sanction any scheme or proposal for the exchange or substitution or sale of any of the Notes for, or the conversion of any of the Notes into, or the cancellation of any of the Notes, in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

   (viii) power to authorise, or direct, the Representative of the Noteholders to serve a Note Enforcement Notice, as a consequence of the occurrence of a Note Event of Default under Condition 11 (*Note Events of Default*) and direct the Issuer to sell in whole or in part the Loan Portfolio in accordance with Condition 12(c) (*Sale of Loan Portfolio*) and authorise, or direct, the Representative of the Noteholders to take any action consequential thereto;

   (ix) power to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Issuer Transaction Documents;

(x) power to authorise the Representative of the Noteholders to concur in making and implementing and doing all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;

(xi) power to discharge or exonerate the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to the Notes or any other Issuer Transaction Document;

(xii) power to give any authority, direction or sanction which under the provisions of the Notes or any Issuer Transaction Document, is required to be given by Extraordinary Resolution of the Noteholders;

(xiii) power to authorise and sanction the actions of the Representative of the Noteholders under or in relation to the Notes and any other Issuer Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;

(xiv) power to appoint or terminate the appointment of any number of Noteholders or other persons as a committee of the Noteholders and to delegate to such committee powers which pursuant to this Article 6 (*Powers Exercisable by Extraordinary Resolution—Class X Entrenched Notes*) are exercisable by the Meeting;

(xv) power to authorise and sanction any other matter which affects the interests of the Noteholders and is not required by these Rules to be taken by Ordinary Resolution;

(xvi) approve any request for any indemnity or other remedies pursuant to Clause 5 of the Loan Portfolio Sale Agreement;

(xvii) power to remove an appoint the Representative of the Noteholders; and

(xviii) power to remove (without cause) the Primary Servicer, the Special Servicer, the Delegate Primary Servicer or the Delegate Special Servicer to be exercised, with regard to the Primary Servicer or the Delegate Primary Servicer, by the Relevant Classes of Noteholders only.

2. Any Meeting of the Noteholders for which no Extraordinary Resolution is required by these Rules, the Conditions or the other Issuer Transaction Documents, shall be held and resolved upon by Ordinary Resolution.

Ordinary Resolutions will apply, in particular, without limitation to:

(i) the removal of the Calculation Agent, the Master Servicer, (including, without limitation, in the event the Noteholders' consent is required for the replacement of the Master Servicer in the framework of a replacement of the Delegate Special Servicer or, if no Delegate Special Servicer is appointed, the Special Servicer required by the Operating Advisor) the Delegate Primary Servicer, the Delegate Special Servicer, the Issuer Account Bank, the Paying Agent or the Corporate Servicer;

(ii) approval of Note Maturity Plan; and

(iii) decisions by the Controlling Class under Condition 16 (*Controlling Class*).

3. No Extraordinary Resolution (or Ordinary Resolution) may authorise or sanction any modification or waiver of the following:

(i) the definitions of: "Class X Interest Amount", "Relevant Margin", "Administrative Fees";

(ii) the provisions of the Master Servicing Agreement and/or the Delegate Servicing Agreement relating to the ability of the Primary Servicer, the Special Servicer, the Delegate Primary Servicer or the Delegate Special Servicer (as applicable) to reduce the interest rate on any

Loan at any time prior to the Loan Maturity Date (other than an automatic reduction to the interest rate to the maximum admissible interest rate permitted under the Italian Usury Law); and

(iii) a Basic Term Modification,

in each case, unless the Representative of the Noteholders has received the written consent of the Class X Detachable Coupon Holder (the "**Class X Entrenched Rights**").

Article 7

Meeting when more than one Class of Notes are Outstanding

1. The following provisions shall apply where the outstanding Notes belong to more than one Class of Notes:

   (i) business which in the sole opinion of the Representative of the Noteholders (such opinion to be formed in its absolute discretion) involves a Basic Terms Modification shall be transacted at separate Meetings of the holders of each Class of Notes then outstanding and no Extraordinary Resolution involving a Basic Terms Modification passed by a Meeting of one Class of Noteholders shall be effective unless it is also sanctioned by an Extraordinary Resolution passed at a Meeting of the holders of the other Class of Notes then outstanding;

   (ii) business which in the sole opinion of the Representative of the Noteholders (such opinion to be formed in its absolute discretion) involves the right of any Noteholders to bring individual actions or to take other individual remedies to enforce its rights under the Notes pursuant to Article 4 (*Individual Actions and Remedies*) of these Rules shall be transacted only at a Meeting of the holders of the Most Senior Class of Notes and an Extraordinary Resolution passed by a Meeting of the holders of the Most Senior Class of Notes shall be effective without any need to be sanctioned by an Extraordinary Resolution passed at a Meeting of the holders of any other Class of Notes;

   (iii) any business (other than the business referred to in item (ii) of this Article 7 (*Meeting when more than one Class of Notes are Outstanding*)), which in the sole opinion of the Representative of the Noteholders (such opinion to be formed in its absolute discretion) does not involve a Basic Terms Modification shall be transacted only at a Meeting of the holders of the Most Senior Class of Notes and an Extraordinary Resolution passed by a Meeting of the holders of the Most Senior Class of Notes shall be effective without any need to be sanctioned by an Extraordinary Resolution passed at a Meeting of the holders of any other Class of Notes provided that if, in the sole opinion of the Representative of the Noteholders (such opinion to be formed in its absolute discretion), the business which is to be resolved upon affects only the interests of the holders of one or more Classes of Notes, different from the Most Senior Class of Notes and, if approved, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes, such business shall be transacted at a separate Meeting of the holders of such other Class(es) of Notes; and

   (iv) no Extraordinary Resolution of the holders of one or more Classes of Notes, different from the Most Senior Class of Notes, shall be effective unless: (A) when involving a Basic Terms Modification, it is sanctioned by an Extraordinary Resolution passed by a Meeting of the holders of all other Classes of Notes; or (B) when not involving a Basic Terms Modification, the Representative of the Noteholders is of the opinion (to be formed in its absolute discretion) that it will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes or (to the extent that the Representative of the Noteholders cannot form such opinion) it is sanctioned by an Extraordinary Resolution passed at a separate Meeting of the holders of the Most Senior Class of Notes.

2. For the purposes of this Article, Notes (other than the Class X Detachable Coupon) rank senior to the Class X Detachable Coupon.

3. In this Article "business" includes (without limitation) the passing or rejection of any resolution.

Article 8

Binding Effect and Notice

1. Any resolution passed at a Meeting or, when so provided by Article 7 (*Meeting when more than one Class of Notes are Outstanding*) at Meetings, duly convened and held, in first or second call, in accordance with these Rules shall be binding upon all the holders of the relevant Class or Classes of Notes whether or not present at such Meeting and whether or not voting and whether or not voting in favour of it.

2. Any resolution passed at a Meeting of the Most Senior Class of Notes duly convened and held as aforesaid pursuant to item (ii) or item (iii) of Article 7 (*Meeting when more than one Class of Notes are Outstanding*) shall also be binding upon all other Classes of Notes.

3. In each case, all the Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

4. Notice of the result of every vote on a resolution duly proposed and considered by the Noteholders or, if applicable, the holders of a relevant Class of Notes shall be published, at the expense of the Issuer, in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders and the Rating Agencies) within seven days of the conclusion of the Meeting.

Article 9

Issue of Voting Certificates and Block Voting Instructions

1. Noteholders may obtain a Voting Certificate from the relevant Monte Titoli Account Holder or, when the Notes are held through another clearing system, require the Paying Agent to issue a Block Voting Instruction by arranging for such Notes to be blocked in an account with such a clearing system, as the case may be, not later than 48 hours before the time fixed for the Meeting.

2. Noteholders may obtain a Voting Certificate by requesting their Monte Titoli Account Holders to release such a Voting Certificate in accordance with Article 21 of the Joint Regulation.

3. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the holder thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Voting Certificate or a Block Voting Instruction) shall be deemed to be entitled to attend a Meeting and vote in respect of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 10

Validity of Voting Certificates and Block Voting Instructions

1. Any Block Voting Instruction and any Voting Certificate shall be valid only if it is deposited at the office of the Paying Agent, or at some other place approved by the Representative of the Noteholders, at least 24 hours before the time fixed for the Meeting and if not deposited before such deadline, the Block Voting Instruction or the Voting Certificate shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business.

2. If the Representative of the Noteholders so requires, a notarised copy of each Block Voting Instruction or Voting Certificate and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Representative of the Noteholders shall not be obliged to investigate the validity of any Block Voting Instruction or Voting Certificate or the authority of any Proxy.

Article 11

Convening of Meeting

1. The Issuer and/or the Representative of the Noteholders may convene a Meeting at any time and shall be obliged to do so upon the request in writing made by holders of a Class of Notes (other than the Class X Detachable Coupon) holding not less than one tenth of the Principal Amount Outstanding of such Class or by any servicer. For the avoidance of doubt, when requested by Noteholders holding not less than one tenth of the Principal Amount Outstanding of a Class of Notes (other than the Class X Detachable Coupon), the Issuer or the Representative of the Noteholders shall convene the Meeting pursuant to the provisions of Article 7 (*Meeting when more than one Class of Notes are Outstanding*) and the Meeting so convened may be a Meeting of a Class of Notes different from the Class of Notes held by the Noteholders who requested the convocation of the Meeting.

2. The Class X Detachable Coupon Holder will not be entitled to request to convene a Meeting of the Noteholders other than for resolutions specifically presented to them by request of the Delegate Primary Servicer or the Delegate Special Servicer, or in respect of a Class X Entrenched Right.

3. Any Disenfranchised Noteholders will not be entitled to request to convene a Meeting of the Noteholders.

4. Whenever the Issuer is about to convene a Meeting, it shall immediately give prior notice in writing to the Representative of the Noteholders of the day, time and place thereof and of the nature of the business to be transacted thereat and of any resolution proposed to be resolved thereat.

5. Every such Meeting shall be held at such place and at such time as the Representative of the Noteholders or, in the case of paragraph 4, the Issuer may designate or approve.

6. The Issuer or the Representative of the Noteholders may propose an Extraordinary Resolution (other than an Extraordinary Resolution relating to a (i) Basic Terms Modification, (ii) the waiver of any Note Event of Default, (iii) the acceleration of the Notes, (iv) the enforcement of the Issuer Security, (v) a Resolution relating to the Class X Entrenched Rights) or (vi) an Ordinary Resolution of the holders of any Class of Notes relating to any matter for consideration, the approval of which may be obtained by Negative Consent by the Noteholders or the Noteholders of such Class.

   "**Negative Consent**" means, in relation to an Extraordinary Resolution (other than an Extraordinary Resolution relating to a (i) Basic Terms Modification, (ii) the waiver of any Note Event of Default, (iii) the acceleration of the Notes, (iv) the enforcement of the Issuer Security, (v) a Resolution relating to the Class X Entrenched Rights) or an Ordinary Resolution (other than an Ordinary Resolution relating to the approval of a Note Maturity Plan) of the holders of any Class of Notes, the process whereby such Extraordinary Resolution or Ordinary Resolution will be deemed to be duly passed and will be binding on all of the Noteholders or the Noteholders of such Class in accordance with its terms where:

   (i) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, (including the full text of the same) has been given by the Issuer or the Representative of the Noteholders to the Noteholders or the Noteholders of such Class in accordance with the provisions of Condition 18 (*Notices*);

   (ii) such notice contains a statement requiring such Noteholders to inform the Representative of the Noteholders in writing if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of (i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class; or (ii) in the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class, makes such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders or the Noteholders of such Class and specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) further as set out in the following paragraph; and

(iii) holders of (i) in the case of an Extraordinary Resolution, 25 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class or (ii) in the case of an Ordinary Resolution, 50 per cent. or more in aggregate Principal Amount Outstanding of the Notes or the Notes of such Class, have not informed the Representative of the Noteholders in writing of their objection to such Extraordinary Resolution or Ordinary Resolution within 30 days of the date of the relevant notice.

7. The Meeting may be convened in first call only or in first and second call.

Article 12

Notice

1. At least 14 calendar days' notice (exclusive of the calendar day on which the notice is given and of the calendar day on which the Meeting is to be held) specifying the date, time and place of the Meeting, in first and, if any, in second call shall be given to the Noteholders in accordance with the Conditions and the Paying Agent and any other agent appointed under Condition 9(d) (*Change of Paying Agent and Appointment of Additional Paying Agents*) (with a copy to the Representative of the Noteholder or as appropriate to the Issuer and, to the extent any of the Notes are then rated by the Rating Agencies, to the Rating Agencies).

2. The notice shall set out the full text of any resolutions to be proposed unless the Representative of the Noteholders agrees that the notice will instead specify the nature of the resolution without including the full text and shall state that the Notes must be blocked with, or to the order of, the relevant Monte Titoli Account Holder or in an account with a clearing system for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

3. A Meeting is valid notwithstanding that the formalities required by this Article 12 are not complied with if the holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the holders of which are entitled to attend and vote, are represented at such Meeting, and the Issuer and the Representative of the Noteholders are present at the Meeting

Article 13

Chairman of the Meeting

1. Any individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders will take the chair at any Meeting but: (i) if no such nomination is made, or (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, the Noteholders present at the Meeting shall by Ordinary Resolution elect one of the persons present to take the chair, failing which, the Issuer may appoint a Chairman. The Chairman of a second call Meeting need not be the same person as the Chairman of the first call Meeting.

2. The Chairman will ascertain that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

3. The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

Article 14

Quorum and Majority

1. The quorum at any Meeting (*quorum costitutivo*) shall be one or more Voters representing or holding not less than the Relevant Fraction of the aggregate Principal Amount Outstanding of the Notes.

2. The majority (*quorum deliberativo*) to pass a resolution for any Class of Notes shall be, in respect of an Ordinary Resolution, more than 50.1 per cent. of the votes cast at the poll and in respect of an Extraordinary Resolution, more than 75 per cent. of the votes cast at the poll.

3. For the purposes of determining the quorum at any Meeting considering an Extraordinary Resolution or an Ordinary Resolution any Notes held by a Disenfranchised Holder, will be treated as if they were not outstanding and will not be counted in or towards any required quorum.

Article 15

Second Call for Lack of Quorum

1. If after 15 minutes of the time fixed for any first call Meeting a quorum (*quorum costitutivo*) is not present, then:

   (i) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

   (ii) in any other case, the Meeting shall, subject to paragraphs (i) and (ii) below, be adjourned to a new date no earlier than 14 calendar days and no later than 42 calendar days after the original date of such Meeting, and to such place as the Representative of the Noteholders determines provided that:

      (a) no Meeting may be adjourned more than once for want of a quorum; and

      (b) the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

Article 16

Adjourned Meeting

1. Except as provided in Article 15 (*Second Call for Lack of Quorum*), the Chairman may, unless otherwise directed by Ordinary Resolution of the Meeting, and shall, if so directed by Ordinary Resolution of the Meeting, adjourn such Meeting, both in first and in second call, from time to time and from place to place, provided that no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting at which the adjournment took place.

2. No Meeting may be adjourned more than once unless so directed by Ordinary Resolution of the Meeting.

3. Article 12 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

   (i) seven calendar days' notice (exclusive of the calendar day on which the notice is given and of the calendar day on which the Meeting is to be held) shall be sufficient; and

   (ii) the notice shall specifically set out the quorum requirements of the Meeting that will apply when the Meeting resumes.

4. It shall not be necessary to give notice of the resumption of a Meeting that has been adjourned for any other reason.

Article 17

Participation

1. The following persons may attend and speak at a Meeting:

   (i) any Voters;

   (ii) the directors or other representatives of the Issuer, the Representative of the Noteholders and the relevant servicer;

   (iii) the legal and financial advisers to the Issuer, the Representative of the Noteholders and the relevant servicer; and

   (iv) any such other person as may be proposed by the Issuer and/or the Representative of the Noteholders to the extent the Meeting has not resolved otherwise by Ordinary Resolution.

Article 18

Poll

1. Every question submitted to a Meeting shall be decided by poll.

2. The poll may be taken immediately or after any adjournment as the Chairman directs, but any poll on the right of any person to attend to a Meeting or on the election of the Chairman or on any question of adjournment shall be taken at the Meeting by Ordinary Resolution without adjournment.

3. A demand for a poll made by any person attending the Meeting shall not prevent the continuation of the Meeting for any other business as the Chairman directs.

Article 19

Votes

1. Every Voter shall have one vote in respect of each €1,000 in Principal Amount Outstanding of the Note(s) represented or held by such Voter.

2. In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

3. Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which it is entitled or to cast all the votes which he exercises in the same manner.

4. The Class X Detachable Coupon Holder and the Disenfranchised Noteholders will not be entitled to vote in respect of any resolution of the Noteholders and will not be counted in or towards any required majority (other than, in the case of the Class X Detachable Coupon Holder, resolutions specifically presented to them by request of the Delegate Primary Servicer or the Delegate Special Servicer or Class X Entrenched Rights).

Article 20

Vote by Proxies

1. Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Paying Agent, the Representative of the Noteholders or, as the case may be, the Issuer has not been notified in writing of such amendment or revocation not less than 24 hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy

under a Block Voting Instruction or a Voting Certificate in relation to a Meeting shall remain in force in relation to any Meeting held in second call or resumed following an adjournment.

Article 21

Challenge of Resolution

1. Each Noteholder who was absent and/or dissenting can challenge Resolutions which are not passed in conformity with the provisions of these Rules.

Article 22

Minutes

1. Minutes shall be made of all resolutions and proceedings at each Meeting (the "**Minutes**"). The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted as so stated in the minutes.

2. The Minutes will be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

3. Only (i) the Noteholders and (ii) the persons who are entitled to attend and speak at a Meeting pursuant to Article 17 (*Participation*) can obtain copies of the minutes relating to such Meeting.

Article 23

Written Resolution

1. A Written Resolution shall take effect as if it were an Extraordinary Resolution or, to the extent applicable, in respect of matter required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

2. Noteholders holding no less than $33^{1}/_{3}$ per cent. of the Principal Amount Outstanding of the relevant Class(es) shall be entitled to require that a Meeting is held instead of a resolution being passed by Written Resolution.

Article 24

Further Regulations

1. Subject to all other provisions contained in the Rules, the Representative of the Noteholders may, without the consent of the Issuer or the sanction of the Noteholders, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 25

Powers

1. The Representative of the Noteholders is the legal representative of the Organisation of Noteholders.

2. In such capacity, upon the issue of the Notes the Representative of the Noteholder shall enter into the Issuer Transaction Documents to which it is a party and thereafter it will exercise its rights and comply with its obligations thereunder to the extent and within the limits set forth in these Rules, the Conditions and the Intercreditor Agreement and all other Issuer Transaction Documents.

3. In particular, the Representative of the Noteholders shall enter into:

   (i) the Pledge Agreement and shall exercise all the rights granted thereunder to the Noteholders and to the Other Issuer Secured Creditors acting on behalf of the Noteholders and the Other Issuer Secured Creditors; and

   (ii) the English Security Agreement and shall exercise all its rights as trustee thereunder for the benefit of the Noteholders and the Other Issuer Secured Creditors,

   in accordance with these Rules, the Conditions and the Intercreditor Agreement.

4. Subject to Article 5 (*Primacy of the Intercreditor Agreement*), the Representative of the Noteholders is responsible for implementing the decisions of the Meeting and for protecting the Noteholders' common interests *vis-à-vis* the Issuer, to the extent and within the limits set forth in these Rules, the Conditions and the Intercreditor Agreement. The Representative of the Noteholders has the right to convene and attend Meetings. The Representative of the Noteholders may convene a Meeting at any time to obtain instructions from the holders of the relevant Class on any action then to be taken.

5. The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders and to act on behalf of the Noteholders in any (i) judicial proceedings and (ii) Insolvency Event, in each case whether or not concerning the Issuer.

Article 26

Discretionary Powers

1. The Representative of the Noteholders may, without any need to obtain the consent or sanction of the Noteholders, from time to time concur in making (including without limitation by way of giving any authorisation or consent thereto required pursuant to any provisions of the Conditions (including these Rules) or of any other Issuer Transaction Documents (the "**Consent to Modification**")) (a) any amendments (other than in respect of a Basic Terms Modification or any provision referred to in the definition of "Basic Terms Modification") to the Conditions (including these Rules) or to any of the other Issuer Transaction Documents which in the sole opinion of the Representative of the Noteholders, is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes or (b) any amendments to the Conditions (including these Rules) or to any of the other Issuer Transaction Documents which in the sole opinion of the Representative of the Noteholders, is a correction of a manifest error or is of a formal, minor or technical nature, provided that the Representative of the Noteholders shall agree, without any need to obtain the consent or sanction of the Noteholders, any amendment (other than amendments which may impose on the Representative of the Noteholders any additional duties, obligations or liabilities or otherwise affect the interests of the Representative of the Noteholders in its personal capacity) which the Representative of the Noteholders deems will not be materially prejudicial to the interests of the Noteholders and will not have any adverse effect on the Securitisation.

2. The Representative of the Noteholders may, without any need to obtain the consent or sanction of the Noteholders, from time to time waive any breach or proposed breach of, and give any authorisation or consent (other than a Consent to Modification to which paragraph 1. of this Article 26 shall apply) required pursuant to, any provisions of the Conditions (including these Rules) or of any other Issuer Transaction Documents, or declare that any Note Event of Default shall not be considered as such if, in the sole opinion of the Representative of the Noteholders, any such waiver, authorisation, consent or determination is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes.

3. The Representative of the Noteholders shall not exercise any discretion conferred upon it by this Article 26 (*Discretionary Powers*) - other than in respect of any amendments which may impose on the Representative of the Noteholders any additional duties, obligations or liabilities or otherwise negatively affect the interests of the Representative of the Noteholders in its personal capacity, in respect of which the Representative of the Noteholders shall have full and absolute discretion - in contravention of any express direction by an Extraordinary Resolution of the Noteholders but so that no such direction (a) shall affect any waiver, authorisation, consent or determination previously given or

made nor (b) shall bind the Representative of the Noteholders to waive any breach or proposed breach of, and give any authorisation or consent required pursuant to, any provisions relating to a Basic Terms Modification or any provision referred to in the definition of Basic Terms Modification unless each Class of Notes has by Extraordinary Resolution so authorised its exercise.

4. Any such modification, waiver, authorisation, consent or determination shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such modification, waiver, authorisation, consent or determination to be notified to the Noteholders in accordance with the Conditions as soon as practicable thereafter.

Article 27

Actions by the Representative of the Noteholders and Delegation

1. All actions taken by the Representative of the Noteholders in the exercise of all its powers, authorities and discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders.

2. The Representative of the Noteholders may also, whenever it considers it expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) (with power to sub-delegate) all or any of the trusts, powers, authorities and discretion vested in it under the Issuer Transaction Documents. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not, other than in the normal course of its business, be bound to supervise the actions undertaken by any delegate or sub-delegates and shall not in any way or to any extent be responsible for any loss incurred as a result of any misconduct or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use its professional diligence and care in the selection of any delegates it may want to appoint and shall be responsible for the instructions given by it to such delegates. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer of the appointment, renewal, extension and termination of any delegate as aforesaid and shall procure that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of the appointment, renewal, extension or termination of any sub-delegate.

Article 28

Appointment and Removal

1. Subject to the provisions of this Article 28 (*Appointment and Removal*), the Meeting has the power to appoint the Representative of the Noteholders save in respect of the appointment of the first Representative of the Noteholders, Zenith Service S.p.A., which is made by the initial subscribers of the Notes.

2. Any substitute Representative of the Noteholders shall be:

   (i) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a member state of the European Union; or

   (ii) a company or financial institution registered under article 107 of the Banking Act (or any other register or list which may replace it from time to time); or

   (iii) any other entity which may be permitted to act in such capacity or in any equivalent capacity by any provisions of Italian law applicable to the securitisation of monetary claims and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities and/or by any similar regulations, instructions, guidelines and/or specific approvals in a member state of the European Union to the extent they are not contrary to any provision of Italian law.

3. The Representative of the Noteholders shall be appointed for the duration of the Securitisation but it can be removed by the Meeting at any time for any reason whatsoever.

4. The Representative of the Noteholders, in the event of its appointment being terminated by the Meeting pursuant to paragraph 3 of this Article 28 (*Appointment and Removal*), shall remain in charge until the appointment of a substitute Representative of the Noteholders designated among the entities indicated in paragraph 2 of this Article 28 (*Appointment and Removal*) becoming effective.

5. The appointment of any substitute Representative of the Noteholders shall not be effective until such time as (i) the Issuer has granted to such substitute Representative of the Noteholders the same mandates as are now granted to the initial Representative of the Noteholders pursuant to the terms of the Intercreditor Agreement, (ii) such substitute Representative of the Noteholders has become the security trustee pursuant to the provisions of the English Security Agreement and has acceded to the Intercreditor Agreement and any other Issuer Transaction Documents to which the Representative of the Noteholders is a party and has accepted the pledge created under the Deed of Pledge. Until the appointment of a substitute Representative of the Noteholders becomes effective, the powers and authority of the Representative of the Noteholders whose appointment has been terminated, shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

6. In the event that, as a result of its insolvency or otherwise, the Representative of the Noteholders is unable to discharge its duties and exercise its powers, authorities, trusts and discretions in accordance with these Rules and the other Issuer Transaction Documents, the Issuer will be entitled to appoint an interim representative of the Noteholders which will remain in charge until a substitute Representative of the Noteholders is appointed pursuant to the provisions of this Article 28 (*Appointment and Removal*). Notice of the appointment of such interim Representative of the Noteholders will be given to the Noteholders in accordance with the Conditions and the interim Representative of the Noteholders so appointed shall, to the extent legally possible, exercise the powers, authorities, trusts and discretions granted to and discharge the duties imposed on the Representative of the Noteholder by these Rules, the Conditions and the other Issuer Transaction Documents.

7. Directors, auditors, employees of the Issuer and those who fall within the conditions indicated in article 2399 of the Civil Code cannot be appointed as Representative of the Noteholders and, if appointed, shall be automatically removed from the appointment.

Article 29

Resignation of Representative of the Noteholders

1. Without prejudice to the appointment of the first sole director and that of Zenith Service S.p.A. as Representative of the Noteholders as at the Closing Date, the Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer (and notice to the Noteholders in accordance with the Conditions) without assigning any reason therefore and without being responsible for any costs incurred by any person as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting has appointed a new representative of the noteholders and the requirements for the appointment to become effective as set out in Article 28 (*Appointment and Removal*) are met. If a new representative of the noteholders is not appointed by the Meeting 60 days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, provided that the appointment of any such successor shall not become effective until the requirements set out in Article 28 (*Appointment and Removal*) are met.

Article 30

Remuneration

1. Pursuant to the terms of the Intercreditor Agreement, from the Closing Date the Issuer will pay to the Representative of the Noteholders as remuneration for its services as Representative of the Noteholders such fee as set out in the separate fee letter referred to in the Intercreditor Agreement.

2. In addition to the above, pursuant to the terms of the Subscription Agreement, the Representative of the Noteholders is entitled to be paid such additional remuneration as shall be agreed between the Issuer and the Representative of the Noteholders where the latter performs activities of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders under the Subscription Agreement.

3. The above fees and remuneration shall accrue, where appropriate, from day to day and shall be payable *pro rata* in accordance with the applicable Priority of Payments up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Conditions.

Article 31

Exoneration of the Representative of the Noteholders

1. The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the Issuer Transaction Documents.

2. The Representative of the Noteholders shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by any Noteholder, the Issuer, any Other Issuer Secured Creditor or any other person as a result of the carrying out of any activity under these Rules or the Issuer Transaction Documents, unless such activities are carried out with gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

3. Without limiting the generality of the foregoing, the Representative of the Noteholders:

   (i) shall not be under obligation to take any steps to ascertain whether a Note Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any of the other Issuer Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Note Event of Default or such other event, condition or act has occurred;

   (ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer, the Noteholders or any of the other parties to the Issuer Transaction Documents of their obligations thereunder (including under the Conditions and these Rules) and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer, the Noteholders and each party to any Issuer Transaction Document is duly observing and performing all their obligations;

   (iii) except as expressly required in these Rules or in the relevant Issuer Transaction Document, shall not be under any obligation to give notice to any person of the execution of these Rules or of the signing of any of the Issuer Transaction Documents or any transaction contemplated hereby or thereby or of its activities in performance of the provisions of these Rules or any other Issuer Transaction Document;

   (iv) shall not be responsible for or for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any other Issuer Transaction Document, or any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing), it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

      (a) the nature, status, creditworthiness or solvency of the Issuer;

      (b) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Loan Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedures operated by the relevant servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Loan Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the relevant servicer, the Paying Agent, the Issuer Account Bank or any other person in respect of the Loan Portfolio;

(v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

(vi) shall have no responsibility for the maintenance of any rating of the Notes by the Rating Agencies or any other credit or rating agency or any other person;

(vii) shall not be responsible for or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of or covenant by any party other than the Representative of the Noteholders contained herein or in any other Issuer Transaction Document or in any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

(viii) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Loan Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of remedy or not;

(ix) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Issuer Transaction Document;

(x) shall not be under any obligation to guarantee or procure the repayment of the Loan Portfolio or any part thereof;

(xi) shall not be responsible for reviewing or investigating any report relating to the Loan Portfolio provided by any person;

(xii) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Loan Portfolio or any part thereof;

(xiii) shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Loan Portfolio or any Issuer Transaction Document;

(xiv) shall not be under any obligation to insure the Loan Portfolio or any part thereof;

(xv) shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate;

(xvi) shall not be obliged to have regard to the consequences of any modification of these Rules or any of the Issuer Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(xvii) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Secured Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with the Notes or the Issuer Transaction Documents and no Noteholder, Other Issuer Secured Creditor

or any other party, as the case may be, shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(xviii) may act on the advice or opinion of or any certificate or information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of fraud, gross negligence or wilful misconduct on the part of the Representative of the Noteholders, be responsible for any loss occasioned by so acting. Any such advice, opinion, certificate or information may be sent or obtained by letter, telex, telegram, facsimile transmission, e-mail or cable and, in the absence of fraud, gross negligence or wilful misconduct on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, opinion or information contained in or purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, e-mail or cable notwithstanding any error contained therein or the non-authenticity of the same;

(xix) may call for and shall be at liberty to accept as sufficient evidence as to any fact or matter or the expediency of any transaction or things, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to the contrary, a certificate duly signed by the legal representative of the Issuer or the relevant servicer or any other party to the Issuer Transaction Documents, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Representative of the Noteholders acting on such certificate;

(xx) save as expressly otherwise provided herein, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its fraud, gross negligence or wilful default;

(xxi) shall be at liberty to hold or to place these Rules, the other Issuer Transaction Documents and any other documents relating hereto in any part of the world with any bank officer or financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;

(xxii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder or under any other Issuer Transaction Documents, the Representative of the Noteholders shall use its professional diligence and care to so exercise its discretion and in the most expeditious way, provided that in all circumstances it shall be entitled to convene a Meeting of the holders of any Class in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion and further provided that, prior to undertaking any action, the Representative of the Noteholders shall be entitled to request to be indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action;

(xxiii) the Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class of Notes and the Class X Entranched Rights will not be materially prejudiced thereby:

(a) authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Issuer Transaction Documents; or

(b) determine that any Note Event of Default will not be treated as such for the purposes of the Issuer Transaction Documents,

without any consent or sanction of the Noteholders. Any authorisation, waiver or determination referred in Article (a) above (*Waiver of Breach*) will be binding on the Noteholders. The Representative of the Noteholders will not exercise any powers conferred upon it by this Article 31((xxiii)) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

(x) will affect any authorisation, waiver or determination previously given or made; or

(y) will authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless the holders of the Most Senior Class of Notes have, by Extraordinary Resolution, so authorised its exercise;

(xxiv) the Representative of the Noteholders shall not be liable for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting of the Noteholders in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though subsequent to its acting it transpires that there was some defect in the constitution of the Meeting or the passing of the resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders. For the avoidance of doubt, this rule will be applied also with reference to Resolution passed in accordance with Article 11.6 and Article 31.3(xxxii);

(xxv) may call for and shall be at liberty to accept and place full reliance on, as sufficient evidence of the facts stated therein, a certificate or letter or confirmation certified as true and accurate and signed on behalf of any clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as entitled to a particular number of Notes;

(xxvi) in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the Joint Regulation which certificates are to be conclusive proof of the matters certified therein;

(xxvii) may certify whether or not a Note Event of Default is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other relevant person;

(xxviii) may determine whether or not a default in the performance by the Issuer of any obligation under the Notes or any of the other Issuer Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any relevant person;

(xxix) may assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer;

(xxx) shall be entitled to call for and to rely upon a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement or any Other Issuer Secured Creditor or any rating agency in respect of every matter and circumstance for which a certificate is expressly provided for hereunder or under any other Issuer Transaction Document or in respect of the rating of the Notes and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do;

(xxxi) for the purposes of exercising any power, authority, duty or discretion under or in relation hereto or any Issuer Transaction Document, if the Rating Agencies have been duly informed of such exercise and the Representative of the Noteholders has been provided with evidence satisfactory to it that the rating of the Notes would not be adversely affected thereby, shall be entitled to assume that such exercise will not be materially prejudicial to the interests of the Noteholders of the Class of Notes which are rated and in respect whereof such evidence is so provided. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that the attribution of such rating does not impose on or extend to any Rating Agency any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between any of the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the view of the Rating Agencies as to how a specific act would affect the outstanding rating of the Notes, the Representative of the Noteholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Noteholders or the Representative of the Noteholders may seek and obtain such views itself at the cost of the Issuer;

(xxxii)

(a) If the Issuer is of the opinion (following discussions with the applicable Rating Agencies or otherwise) that any modification is required to be made to (i) the Issuer Transaction Documents, and/or the Conditions, or (ii) each Loan Agreement or Loan Hedging Agreement, in order to comply with any criteria of the Rating Agencies which may be published after the Closing Date, the Issuer will promptly notify all Noteholders in accordance with Condition 18 (*Notices*) of the proposed amendments, and will make available to Noteholders for inspection drafts of any amendments to applicable documents.

(b) If within 30 calendar days from service of such notice Noteholders representing at least 20 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) to reject the proposed amendments, then all Noteholders will be deemed to have consented to the modifications and the Representative of the Noteholders will (subject as further provided below), without seeking any further consent or sanction of any of the Noteholders or any Other Issuer Secured Creditors and irrespective of whether such modifications are or may be materially prejudicial to the interests of the Noteholders or any other parties to any of the Issuer Transaction Documents, concur with the Issuer, in making the proposed modifications to the Issuer Transaction Documents and/or the Conditions that are requested by the Issuer in order to comply with such updated criteria, provided that the Issuer certifies to the Representative of the Noteholders in writing that:

(A) the proposed modifications are required to avoid a downgrade, withdrawal or suspension of the then current ratings assigned by a Rating Agency to any Class of Notes;

(B) the proposed modifications seek only to implement the new criteria published by the applicable Rating Agencies;

(C) the proposed modifications do not constitute either:

(1) a Basic Terms Modification; or

(2) a Class X Entrenched Right; and

subject to the conditions above described, the Representative of the Noteholder shall not be responsible against the Noteholders and any other Issuer Secured Creditors for the authorisation and the activities performed in accordance with this Rule; and

(D) the Noteholder consultation provisions set out above have been complied with and the Noteholders have not rejected the proposed amendments within the specified timeframe.

(c) The Representative of the Noteholders will not be obliged to agree to any modification which, in the sole opinion of the Representative of the Noteholders would have the effect of:

(A) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or

(B) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Representative of the Noteholders in respect of the Notes, in the Issuer Transaction Documents and/or the Conditions.

(d) Any consent or approval given by the Representative of the Noteholders under these Rules and any other Issuer Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and notwithstanding anything to the contrary contained herein, or in any other Issuer Transaction Document, such consent or approval may be given retrospectively.

Article 32

Conflicts

1. Pursuant to the terms of the Intercreditor Agreement, the Representative of the Noteholders will be appointed as agent (*mandatario*) of the Other Issuer Secured Creditors and the Issuer but the Representative of the Noteholders will discharge its obligations thereunder and exercise all of its powers, trusts, authorities or discretions thereunder or under the Notes and the other Issuer Transaction Documents pursuant to the following provisions of this Article 32 (*Conflicts*).

2. The Representative of the Noteholders shall, as regards the exercise and performance of the powers, trusts, authorities, duties and discretions vested in it by any of the Issuer Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Secured Issuer Creditors (but will not have regard to the interests of the Issuer) but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

3. When in the Rules or in any Issuer Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

4. Subject to Article 7 (*Meeting where more than one Class of Notes are Outstanding*) and Article 6.3 (*Powers Exercisable by Extraordinary Resolution—Ordinary Resolution—Class X Entrenched Rights*), where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes.

Article 33

Issuer Secured Documents

1. The Representative of the Noteholders will have the right to exercise all the rights granted by the Issuer to the Noteholders pursuant to the Pledge Agreement and the English Security Agreement. The Pledge Agreement and the English Security Agreement are together, the "**Issuer Security Documents**".

2. The Representative of the Noteholders, acting on behalf of the Noteholders, will be entitled to:

   (i) appoint and entrust the Issuer to collect, in the Noteholders' interest and on their behalf, any amounts deriving from the pledged claims and rights, and will be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged claims to make the payments related to such claims to the Issuer Payments Account or to any other account opened in the name of the Issuer (the Issuer Payments Account and any such other account in this Article, the "**Issuer Accounts**");

   (ii) attest that the account(s) to which payments are made in respect of the pledged claims are deposit accounts for the purpose of article 2803 of the Civil Code, and procure that such account(s) is(are) operated in compliance with the provisions of the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement and for such purpose and until a Note Enforcement Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Noteholders, will appoint the Issuer to manage the Issuer Accounts in compliance with the Cash Allocation, Management and Payments Agreement;

   (iii) procure that all funds credited to the Issuer Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement; and

   (iv) procure that the funds from time to time deriving from the pledged claims and the amounts credited to the Issuer Accounts are applied towards satisfaction not only of the amounts due to the Noteholders, but also of amounts due and payable to any other parties that rank prior to the Noteholders according to the applicable Priority of Payments set out in the Conditions, and to the extent that all amounts due and payable to the Noteholders have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Noteholders pursuant to the Priority of Payments.

   The Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged claims or credited to the Issuer Accounts, or to any other account opened in the name of the Issuer and appropriate of such purpose, which is not in accordance with the provisions of this Article 33. The Representative of the Noteholders will not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Pledge Agreement except in accordance with the provisions of this Article 33 and the Intercreditor Agreement.

"**Issuer Security**" means the security created under each Issuer Security Document.

Article 34

Indemnity

1. It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any other party, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any persons appointed by it to whom any power, authority or discretion may be delegated by it, in relation to the preparation and execution of, the exercise or purported exercise of its powers and performance of its duties under, and in any other manner in relation to, these Rules or the Issuer Transaction Documents, including but not limited to legal and

travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant these Rules and any other Issuer Transaction Documents, for enforcing any obligations hereunder, under the Notes or the Issuer Transaction Documents, except insofar as the same are incurred because of the fraud, gross negligence or wilful misconduct of the Representative of the Noteholders.

2. Nothing contained in the Rules or any of the other Issuer Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder or thereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

3. Notwithstanding paragraph 1 of this Article 34 (*Indemnity*), the Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or under any Issuer Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result.

THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF A NOTE ENFORCEMENT NOTICE

Article 35

Powers

1. It is hereby acknowledged that, upon service of a Note Enforcement Notice, the Representative of the Noteholders shall, pursuant to the Intercreditor Agreement, be entitled, in its capacity as legal representative of the Organisation of Noteholders, also in the interest and for the benefits of the Other Issuer Secured Creditors, pursuant to Articles 1411 and 1723 (and 1726, as applicable) of the Civil Code, to exercise certain rights in relation to the Loan Portfolio pursuant to the Issuer Transaction Documents and in particular, to dispose of the Loan Portfolio in accordance with Condition 12(c) (*Sale of the Loan Portfolio*). Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, all and any of the Issuer's rights, under the Issuer Transaction Documents including the right to give directions and instructions to the relevant parties to the Issuer Transaction Documents. In connection with any proposed sale of one or more monetary claims arising from the Loans, the Representative of the Noteholders may, but shall not be obliged to, convene a Meeting in accordance with the provisions set out in these Rules to resolve on the proposed sale.

GOVERNING LAW AND JURISDICTION

Article 36

Governing Law and Jurisdiction

1. These rules and any non-contractual obligation arising in connection with them are governed by, and will be construed in accordance with, the laws of Italy.

2. The Courts of Milan will have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules.

SELECTED ASPECTS OF ITALIAN LAW

This section summarises certain Italian law aspects and practices in force at the date hereof relating to the transactions described in this Offering Circular and of which prospective Noteholders should be aware. It does not purport to be a complete analysis and should not, therefore, be treated as a substitute for comprehensive professional, legal and tax advice on the relevant matters, nor on any such issue which may be relevant in the context of this Offering Circular.

The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in Italy.

It applies to securitisation transactions involving a "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction.

The Securitisation Law was recently amended pursuant to article 12 of the Italian law decree number 145 of 23 December 2013, converted with modifications into law by law number 9 of 21 February 2014 (the "**Decree 145**") and pursuant to article 22 of the Italian law decree number 91 of 24 June 2014, converted with modifications into law by law number 116 of 11 August 2014 ("**Decree 91**").

As a result of such amendments the Securitisation Law now also provides, *inter alia*, that payments made by a debtor to the securitisation company are expressly protected also from any claw-back action under article 65 of the Italian Royal decree number 267 of 16 March 1942, as amended and supplemented from time to time (the "**Bankruptcy Law**"). In addition, the ring-fencing principle - originally set forth by article 3 of the Securitisation Law only with regard to the portfolio of claims being securitised (See "*Ring-fencing of the assets*" below) - is expressly stated to apply also to all other claims of the securitisation company in the framework of the securitisation transaction, and to actual collections and to financing activities purchased with them. The Securitisation Law also now expressly states that the securitisation companies' accounts cannot be subject to enforcement by a party different from the holders of the notes issued in the framework of the securitisation; that in case the bank holding the accounts of the securitisation company becomes subject to insolvency proceedings or other proceedings under title IV of the Banking Act (which includes article 74 disciplining suspensions of payments), no suspension of payments out the accounts would apply and funds credited thereto would be "immediately and in full" made available to the securitisation company, that would not have to prove in bankruptcy in respect to such amounts. Similar provisions apply with regard to the securitisation companies' collections credited to the bank accounts open by the servicers (including delegate servicers) of the securitisation companies. The above provisions on bank accounts would apply when such bank accounts are open in Italy.

Ring-fencing of the Assets

Under the terms of article 3 of the Securitisation Law, the portfolio of claims relating to each securitisation transaction, the other claims of the securitisation company in the framework of the securitisation, and the collections received by the securitisation company thereunder will by operation of law be segregated for all purposes from all other assets of the securitisation company that purchases the receivables. By operation of Italian law (subject to the provisions of the relevant securitisation documents, including those setting out the order of priority of payments by the securitisation company), on a winding up of such a company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant portfolio of claims. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the securitisation company.

However, under Italian law, any creditor of the securitisation company would be able to commence insolvency or winding-up proceedings against the securitisation company in respect of any unpaid debt.

The Assignment

The assignment of the receivables under the Securitisation Law is governed by article 58 paragraphs 2, 3 and 4, of the Banking Act. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the transferor, assigned debtors and third party creditors by way of publication of a notice in the official gazette of the Republic of Italy (*Gazzetta Ufficiale*) (the "**Official Gazette**") and by way of registration of such notice in the register of enterprises (*registro delle imprese*) with which the purchaser is registered, thus avoiding the need for notification to be served on each debtor pursuant to articles 1264 and 1265 of the Civil Code.

As from the latest to occur between the date of the publication of the notice of assignment in the Official Gazette and the date of registration of such notice with the Companies' Register (*Registro delle Imprese*) competent for the place where the securitisation company has its registered office, the assignment becomes enforceable (*opponibile*) against:

(a) the assigned debtors and any creditors of the transferor who have not, prior to the date of publication of the notice, commenced enforcement proceedings in respect of the relevant receivables;

(b) the liquidator or any other bankruptcy officials of the debtors (so that any payments made by a debtor to the purchasing company may not be subject to any claw-back action according to article 65 and article 67 of the Bankruptcy Law); and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication.

Upon completion of the formalities referred to above, the benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the securitisation company, without the need for any formality or annotation.

As from the latest to occur between the date of publication of the notice of the assignment in the Official Gazette and the date of registration of such notice with the Companies' Register (*Registro delle Imprese*) competent to the place where the securitisation company has its registered office, no legal action may be brought in respect of the assigned receivables or the sums derived therefrom other than for the purposes of enforcing the rights of the noteholders in relation to the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction.

Notice of the assignment of the Loans pursuant to the Loan Portfolio Sale Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 12 of 31 January 2015 and was registered with the Companies' Register (*Registro delle Imprese*) of Milan on 4 February 2015.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the transferor is adjudicated in bankruptcy within three months from the relevant transfer or in cases where paragraph 1 of article 67 of the Bankruptcy Law applies, within six months from such transfer, in any case, provided that the conditions of article 67 of the Bankruptcy Law are met.

The Originator is an American credit institution licensed as a bank by the United States banking authorities (acting through its Milan branch). To the extent Italian law was applicable, pursuant to article 95 of the Banking Act, in the event the Originator were insolvent, the compulsory administration liquidation procedure (*liquidazione coatta amministrativa*) set out by articles 80 *et seq.* of the Banking Act would apply, to the extent compatible. In particular, pursuant to article 82 of the Banking Act and article 203 of the Bankruptcy Law, upon the issuance of a judicial declaration of insolvency (*dichiarazione giudiziale di insolvenza*) with regard to the Originator, article 67 of the Bankruptcy Law would apply, but the relevant claw-back period would be limited to three months or six months, as the case may be, in accordance with the provisions of the Securitisation Law. For a further description of these aspects and the relevant mitigants, please refer to section entitled "*Risk Factors—Considerations Relating to the Notes—Risk of Claw Back*".

The Issuer

The Issuer is subject to the provisions set out in the Securitisation Law and, accordingly, it must have as its exclusive corporate purpose (*oggetto sociale*) the carrying out of one or more securitisation transactions and

must be incorporated as a stock company (*società di capitali*). Furthermore, the Issuer must be registered on the register of special purpose vehicles (*elenco delle società veicolo*) held by the Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 1 October 2014.

Regulatory Framework of the C2 Investment Fund and the MOMA Fund

Both the C2 Investment Fund and the MOMA Fund (together, the "**Funds**") are Italian closed-end real estate speculative investment fund reserved to qualified investors (*fondo comune di investimento immobiliare speculativo di tipo chiuso riservato ad investitori qualificati*), established, respectively, on 12 June 2014 and 8 July 2014 under article 16 of Minister of the Treasury, Budget and Economic Planning Decree number 228 of 24 May 1999, as subsequently amended.

The assets of the Funds constitute an independent pool of assets, separate to all intents and purposes from the assets of the relevant SGR, as their management company (*società di gestione*) and from those of the unitholders, as well as from any other assets managed by the management company.

A partial departure from this separation principle can be identified in the VAT regime of the funds and the relevant management company. Article 8, first paragraph of Italian law decree number 151 of 25 September 2001, as converted into law with amendments, provides that the management company is subject to VAT in relation to the sales of goods and supplies of services of the real estate investment funds set up by such management company. Although the VAT position of each fund is initially calculated on a standalone basis, the liquidation and payment of the tax then occurs on a net basis at the level of the management company, so that the latter is entitled to offset VAT debts against VAT credits belonging to different funds. This set-off mechanism creates credit/debt relationships between different funds that should be promptly rebalanced between the funds

Mortgage (*ipoteca*)

Under Italian law the lender of mortgage loans has the right to expropriate and sell the mortgaged property (including against a third party transferee), subject to the obligor defaulting payments under the mortgage loan agreement in accordance with the provisions thereof; the sale proceeds can be used to repay the principal debt secured by the mortgage and, with the same seniority as that of the principal debt, interest at the contractual rate accrued and unpaid during the year in which the attachment (*pignoramento*) is initiated and the two preceding years, and, thereafter, interest at the then legal rate up to the date of the sale of the mortgaged property.

Mortgages will have different rankings, depending on the date of registration. The rights under different mortgage loans secured by mortgages over the same property may be satisfied in accordance with the priority of the relevant mortgage. A mortgage may be constituted by operation of law, by virtue of a judicial decision or at the instance of the mortgagor (which is the type described in this Section "*Mortgage (ipoteca)*"). A mortgage may also be given by a third party mortgagor (*terzo datore di ipoteca*) over its immovable property in favour of a debtor for the benefit of the latter's creditor. A mortgage may also be granted on assets which the mortgagor does not currently own. In this case, the mortgage can be validly perfected only upon acquisition of the asset by the mortgagor. A mortgage may also be granted on future assets, but it can validly be perfected only upon the asset coming into existence.

Instrument Granting a Mortgage

A mortgage may be granted by either a unilateral deed or bilateral deed (i.e. a contract). It should be noted that the mortgage deed (whether or not unilateral in nature) must be made in the form of a public deed (*atto pubblico*) or a written document with signature certified as true by a notary public (*scrittura privata autenticata*). If these formalities are not followed, the mortgage will be null and void. The instrument creating a mortgage must specifically designate the immovable property on which it is created, indicating what such immovable property consists of, the municipality (*comune*) in which it is located and the number referencing the immovable property registration details. In addition, the instrument must define the sum of money denominated in euro for which the property is mortgaged.

Perfection of Mortgage

A mortgage is only created once it is registered in the public register of immovable property of the place in which the immovable property is situated (the local land/property registry). In order to do this, the instrument creating a mortgage, together with a note signed by the applicant in duplicate must be presented to the registrar.

With respect to the creditor, debtor and any third party mortgagor, the note must state:

(a) if they are physical persons, their surname, first name, place and date of birth and fiscal code; or

(b) if they are legal entities, their full name, registered office and fiscal code;

(c) the domicile elected by the creditor within the jurisdiction of the tribunal in whose district the office of immovable property records is located;

(d) the instrument on the basis of which the mortgage is being registered, its date and the name of the public official who has drawn it up or authenticated it;

(e) the amount for which registration is made;

(f) the interest and annuities produced by the relevant debt;

(g) the time at which the claim can be collected; and

(h) the nature and the location of the property encumbered, together with the indications referred to in the description of the instrument creating a mortgage above.

Once registered, the applicant will be given one of the duplicates of the above note on which the date and the serial number of the registration shall be recorded. It should be noted that such registration is valid for a 20 year period from the date of registration. Registration will need to be renewed prior to its expiry (in order to maintain its ranking) if the mortgage continues for any longer period.

In certain cases the public register of immovable property evidences registration of mortgages ranking senior to a mortgage which has been agreed to be taken as a first-ranking mortgage by the lender, notwithstanding that the creditor secured by the pre-existing mortgages has consented to their cancellation or that the obligation secured by such mortgage has been satisfied and/or that the mortgage has not been renewed at its expiration date. This may depend either on the fact that the mortgage cancellation deed has not been filed with the public register of immovable property and/or as a result of the slow bureaucratic timing for the implementation of the cancellation formalities in Italy. When a situation like this occurs, notarial reports relating to the registration of the new mortgages granted to a new lender describe such new mortgages as "**substantive**" first (or, as applicable, first and second) ranking mortgages (*ipoteche di primo o secondo grado sostanziale*).

Future Amendment

The details contained in the mortgage register would need to be amended if any changes occur in the parties secured by the mortgages: e.g., if a lender transfers its participation to a new lender, the name of such new lender will have to be inserted into the records by way of an annotation (*annotazione*) on the relevant register. This is not required, however, if the transfer takes place in the context of a transfer pursuant to the Securitisation Law.

Cancellation of Mortgages

Article 40-bis of the Banking Act, as modified by Italian law decree number 70 of 13 May 2011, converted into law by law number 106 of 12 July 2011, establishes that a mortgage securing claims arising from a mortgage loan agreement will be automatically released upon discharge of the relevant claim, unless the creditor – with just cause – has notified within thirty days of such discharge and in compliance with the provisions of the Civil Code concerning the renewal of mortgages to the relevant land registry and to the debtor that the mortgage is to be maintained.

Pledges

A pledge grants to the pledgee:

(a) the right to expropriate the pledged asset, also against third-party purchasers;

(b) the right to satisfy its claims on the proceeds of sale of the pledged asset with priority as against unsecured creditors (*prelazione*); and

(c) certain expedited measures in the forced sale of the pledged asset.

A pledge is indivisible and secures the relevant claim for as long as it has not been completely satisfied, even if the debt or obligation secured is itself divisible. Priority of payment will also include interest for the year current at the date of attachment (*pignoramento*), or, in the absence of attachment, at the date of service of the notice of intention to start enforcement proceedings (*precetto*), as well as all interest accrued up to the date of sale of the pledged asset.

In general terms, upon occurrence of an event of default, the holder of a pledge may, as an alternative to the commencement of an ordinary enforcement proceedings as set forth under the Italian code of civil procedure as described in Section "*—Enforcement Proceedings regarding Pledged Movable Property (espropriazione mobiliare)*" below choose between the following remedies:

(a) applying to the court for an order vesting the relevant assets in the secured creditor in satisfaction of its claim, according to an appraisal to be made by experts, or according to the current market price of the pledged asset (to the extent such asset has a market price); or

(b) selling the pledged asset. If this is proposed, then, prior to the sale, the secured creditor must, through a court bailiff (*ufficiale giudiziario*), serve a demand for payment of the debt and charges on the debtor. This demand must include a warning (the "**Notice**") that if the debtor fails to comply with the request, then the pledged asset will be sold. The Notice shall also be served on any third party pledgor (if applicable). In the case of a debtor who resides or has his elected domicile in Italy, if no objection is raised within five days from receipt of the Notice, or if the court overrules any objection, the secured creditor can sell the pledged asset by public auction or, if the pledged asset has a market price, it may be sold for that current market price through a person authorised to make such a sale.

It should be noted that it is open to the parties to agree to other procedures in connection with the sale of the asset given in pledge, **provided that**, also in this case, the Notice is given to the debtor.

According to the opinion of the majority of Italian legal scholars, no service of the *titolo esecutivo* and of the *precetto* is required for the purposes of enforcing a pledge.

A pledge is established according to particular rules depending on the nature of the asset over which the pledge is to be created. If the value of the pledged asset exceeds €2.58, the pledge will not be effective unless it is evidenced by a written instrument bearing a date certain at law (*data certa*) and contains a sufficient indication of the secured obligation and of the subject matter of the pledge.

In case of a pledge of quotas in a limited liability company (*società a responsabilità limitata*) (the "**S.r.l.**"), the pledge is granted by means of a notarised written document. Following registration with the relevant registry office and payment of any applicable registration tax, the document is then submitted by the notary involved to the Companies' Register (*Registro delle Imprese*) where the company is enrolled with and a request is made for the pledge to be registered. Once such registration is completed, a request can be made to the company whose quotas are the subject of the pledge to enter the pledge in the quotaholders' register (*libro soci*), to the extent the relevant company has opted to keep such register (as it is no longer mandatory under Italian law) (the "**Formalities**"). The pledge created will have priority over all charges upon this entry being made.

Voting Rights and Rights to Dividends in respect of Pledged Quotas in S.r.l.

As a general rule under Italian law, the voting rights and right to dividends relevant to the pledged quotas in S.r.l. are transferred to the pledgee after executing the Formalities. Nevertheless, the pledgor and the pledgee may agree to a different distribution of voting and enjoyment rights. Therefore, they may contractually set out that the pledgor keeps the right to dividends and the voting rights at the shareholders' meetings of the company.

Future Capital Increase

The security interest created by the pledge over the quotas in S.r.l. will extend to any future capital increase of the company concerned, subject to carrying out the Formalities over any newly issued stock.

Pledge over Bank Accounts

Under Italian law, the creation and perfection of pledge over bank accounts (i.e. over the claims/receivables for restitution of the credit balance standing on a bank account and any entitlement to interest arising thereon) is subject to the following requirements:

(a) execution of a written agreement between the relevant parties; and

(b) service of the notice of creation of the pledge to the bank which holds the bank account which has been pledged (the "**Debtor**") or the acceptance of the creation of the pledge by the Debtor.

Both the notice and the acceptance must be made in writing and the relevant document must bear a date certain at law (*data certa*).

As under Italian law the subject matter of a pledge should be identified and, with specific reference to a pledge over bank accounts, its balance may fluctuate from time to time, it is necessary to re-create and re-perfect periodically the security over the amount standing from time to time to the credit of the account.

Such re-creation and re-perfection of the security may be carried out either:

(a) each time the balance of the account changes; or

(b) on a periodic basis previously agreed between the parties.

It should be noted that where the pledgor may freely operate the pledged accounts, the balance of such accounts may, at the time the pledge is to be re-created and re-perfected, be less than the balance over which the pledge was originally created and perfected (or, in a worst-case scenario, be negative). Therefore, the ability of such pledge to secure the full, timely and unconditional performance of the relevant secured obligations may be questionable.

As regards enforcement, in case of pledgor's default, the pledgee may demand that the claim owed to the pledgor is assigned to him as payment up to the amount of his claim or, in case the pledged receivables are not yet due and payable, their sale as explained above under (*pledge*).

Mandate granted under the Pledge over Bank Accounts

Under the pledge over bank accounts of the Fashion District Borrower, the Fashion District Borrower has irrevocably appointed the Fashion District Facility Agent, also in the interest of the latter and of the other secured creditors, to act as its *mandatario con rappresentanza* for the purpose of operating the Fashion District Cash Trap Account, the Fashion District Prepayment Account and the Fashion District Borrower Rental Income Account, in respect of which the Fashion District Facility Agent should have sole signing rights in respect of which the Borrower Facility Agent should have sole signing rights (the "**Borrower Facility Agent's Accounts**").

As such mandate has been granted also in the interest of the Fashion District Facility Agent and the other secured creditors (i.e., pursuant to article 1723, paragraph 2, of the Civil Code), they could not be revoked by the relevant principal (i.e., the Fashion District Borrower) without the consent of the same Fashion District Facility Agent and the other secured creditors or in the absence of a just cause (*giusta causa*). Should such mandates be otherwise revoked, the relevant principal would incur in liability for damages towards the Fashion District Facility Agent and the other secured creditors.

Notwithstanding the above, it should be noted that some Italian courts have held that powers of attorney constitute *per se* revocable acts and that any provisions to the effect that a certain power of attorney is irrevocable may be ineffective.

Therefore, no assurance can be given in respect of the effectiveness of the appointment of the Fashion District Facility Agent to act as *mandatario con rappresentanza* of the Fashion District Borrower, for the purpose of operating the Borrower Facility Agent's Accounts.

Assignment of Receivables or Claims by way of Security (*cessione dei crediti a scopo di garanzia*)

Although widely used in commercial practice, Italian law does not specifically regulate the assignment of receivables or claims by way of security. Such assignment is governed by general rules on assignment of receivables. An assignment by way of security of future receivables arising from an already existing agreement/deed is also a recognised form of security under Italian law. However, such an assignment is only perfected when the relevant assigned receivables come into existence. For instance, if an assigned receivable is the consideration for the use of an asset (such as rental payments in the case of leases), then the assignment is

fully perfected only when the obligation to pay the relevant instalment has arisen and **provided that** the assignment has been fully perfected at that time.

An assignment of receivables by way of security is duly perfected between assignor and assignee with the execution of the relevant deed of assignment which must be evidenced by a written document. However:

(a) the assignment is not effective against the relevant assigned debtor until the deed of assignment has been notified to, or accepted by the latter; or

(b) in case the assigned receivable is further assigned to one or more other third parties, the assignment which has been first notified to the assigned debtor or accepted by the latter, in either cases by means of a document bearing a date certain at law (*data certa*), shall prevail.

If the receivable is evidenced by a document (not having the characteristics of a security), the assignor is bound to deliver such document to the secured creditor.

According to the opinion of the majority of Italian legal scholars in order for the assigned receivables to constitute a security for the relevant assignee, their ownership has to be actually transferred to the assignee (as in an ordinary assignment of receivables) so that it will be in a position to apply the relevant amounts to discharge the secured obligations. Upon the secured obligations being discharged in full, the assignment is automatically terminated and the title to the receivables will be re-transferred to the assignor.

Registration Process of the Assignment by way of Security of the Claims arising under Lease Agreements

The assignment by way of security of claims arising under lease agreements for a term longer than three years (the "**Assignment**") should be registered with the competent registered offices (i.e., *Uffici del Territorio - Conservatorie dei Registri Immobiliari* and, in certain areas, *Uffici Tavolari*), in order to be enforceable and give priority *vis-à-vis* third parties (including but not limited to any creditor of any Borrower), pursuant to article 2643, paragraph 1, No. 9 and article 2918 of the Civil Code.

Security over Future Assets

On a general note, any security interest (including assignments by way of security) purported to be created over future assets and claims (including, *inter alia*, quotas of an S.r.l. newly issued in the context of a non-gratuitous capital increase) will, in most circumstances, be deemed to be created at the time such future assets and claims come into existence, always subject to the relevant perfection formalities being duly complied with in accordance with applicable laws.

In light of this, should the relevant grantor become subject to insolvency proceedings, assets and claims which come into existence after the commencement of such insolvency proceedings would be deemed part of the grantor's insolvency estate available to its creditors generally.

Enforcement Proceedings

If a debtor does not perform the obligation in favour of the creditor, Italian law provides for the enforcement proceedings as remedies aimed at allowing the creditor to obtain satisfaction of its claim.

Provisions on the enforcement proceedings are contained in the Civil Code (articles 2910 - 2933) and in the Italian Code of Civil Procedure (articles 474 - 632).

The enforcement proceedings are based, subject to specific exceptions, on the following prerequisites:

(a) service of notice of the title on which the enforcement proceedings are based (*titolo esecutivo*): for example, an enforceable decision of a court, or a promissory note (*cambiale*) or a bank draft (*assegno bancario*). A public deed (*atto pubblico*) or a written document with signature certified as true by a notary public (*scrittura privata autenticata*) evidencing payment obligations also constitutes an enforceable title. This is why the practice has developed to execute lending contractual instruments in the form of an *atto pubblico* or *scrittura privata autenticata*;

(b) service of the notice of the intention to start enforcement proceedings (*precetto*); and

(c) the attachment (*pignoramento*) of the debtor goods.

There are three types of enforcement proceedings, namely:

(a) proceedings involving real property (*espropriazione immobiliare*);

(b) proceedings involving movable property (*espropriazione mobiliare*); and

(c) enforcement proceedings involving third parties (*espropriazione presso terzi*).

However, all of them aim at meeting the creditor's right to be satisfied by way of either the assignment of the good concerned by one of the proceedings above (article 529 et seq. of the Italian Code of Civil Procedure) or its forced sale (Article 570 *et seq*. of the Italian Code of Civil Procedure), the profit of which is given to the creditor (in an amount not exceeding its claims).

The court competent in case of enforcement proceedings is, pursuant to article 26 of the Italian Code of Civil Procedure, the court of the place where the real or the movable property is situated.

The court of the place where the real or the movable property is situated will interview the parties, sustain or overrule objections (if any) and order the sale or the assignment of the relevant property. It also may appoint a public notary or a lawyer or a business consultant (*commercialista*) to carry out the sale of the property overseeing the relevant proceeding.

In this case the public notary or the lawyer or the business consultant (commercialista) shall take various steps relating to bringing about the eventual sale of the property.

The involvement of such professionals in enforcement proceedings has become possible due to the amendment to the Italian Civil Procedure Code made by law number 302 of 3 August 1998, law number 80 of 14 May 2005 and law number 263 of 28 December 2005 which have introduced certain rules according to which some of the activities to be carried out in a enforcement procedure may be entrusted to a notary public, a lawyer or a chartered accountant duly registered with the relevant register as kept updated from time to time by the president of the relevant Court (*Presidente del Tribunale*). In particular, if requested by a creditor, the notary public may issue a notarial certificate attesting the results of the searches with the "*Catasto*" and with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). Such notarial certificate replaces several documents which are usually required to be attached by the mortgage lender to the motion for the sale of the mortgaged property and reduces the timing normally required to obtain the documentation from the relevant public offices. Moreover, if appointed by the enforcement judge (*giudice dell'esecuzione*) (the "**Judge**") in the order authorising the sale of the mortgaged property, the notary public, the lawyer or the chartered accountant (as the case may be) will carry out, either in case of sale without auction (*vendita senza incanto*) or sale at auction (*vendita con incanto*), the activities related to the sale of the mortgaged property, including: (i) determining the value of the property, (ii) deciding on the offers made on the mortgaged property, (iii) initiating further auctions or transfer, (iv) executing certain formal documents relating to the registration and filing with the land registry of the transfer decree prepared by the same notary public and issued by the Judge and (v) preparing the proceeds' distribution plan and forwarding the same to the Judge.

Enforcement Proceedings regarding Mortgaged Immovable Property (*espropriazione immobiliare*)

A mortgage lender may commence enforcement proceedings in the jurisdiction where the mortgaged property is located.

For this purpose, a mortgage lender must obtain an enforcement order (*titolo esecutivo*). If the deed pursuant to which acknowledgment is made of the drawdown of the mortgage loan (*quietanza*) was executed in the form of a public deed (*atto pubblico*) or, since 1 March 2006, also of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*), a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*), directly on the debtor without the need to obtain a *titolo esecutivo* from the Court.

The enforcement order (*titolo esecutivo*), accompanied by a writ of execution (*atto di precetto*) requesting payment of the relevant obligation, is notified to the debtor.

After ten days, but not later than ninety days from the date on which notice of the *atto di precetto* is served, the mortgage lender may request the attachment of the mortgaged property by serving an attachment order (*atto di pignoramento*) upon the debtor. The attachment order (*atto di pignoramento*) must then be filed for registration with the appropriate land registry (*Conservatoria dei Registri Immobiliari*) and an original thereof,

accompanied by evidence of such registration, must be filed with the competent Court. The Court will, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender. If the mortgage lender does not make such a request, the debtor will automatically become the custodian of such property.

The perfection of the attachment order (*pignoramento*) creates an interest over the assets to be expropriated, voiding as against the mortgagee any act of assignment or any disposal made by the mortgagor in respect of such attached assets. However, this is without prejudice to the rights of third parties, acting in good faith and being in possession of movable assets which are located on the mortgaged property, but not recorded in public registries.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender.

The mortgage lender is also required to serve notice of the request for attachment on other secured creditors whose security interest is evidenced in a public registry. For such purpose, the mortgage lender, within five days from the request for attachment, has to serve notice of such request, containing details of the mortgage lender, the debt, the mortgage deed and the attached assets.

Sale of the Attached Property

Not earlier than ten days and not later than 90 days after serving the attachment order, the mortgage lender may request the Court to arrange for the sale of the mortgaged property. The Court may delay taking of any action in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment thereof.

Within 120 days (which can be postponed once and for maximum additional 120 days) of the request of sale, the mortgagee must file to the court copies of the registration of the relevant mortgage, land register certificates (*certificati catastali*) and a copy of town-planning certificate in respect of the mortgaged property, pursuant to article 18 of law number 47 of 28 February 1985. However, as amended by law number 302 of 3 August 1998, the mortgagee may substitute the land register certificates with a certificate issued by a public notary.

The Court authorises the sale (*vendita senza incanto*) of the mortgaged property and sets forth a term not earlier than 90 days and not later than 120 days by which anyone, except the debtor, can make an offer (which shall be filed with the Court by a closed envelope, jointly with a deposit (*cauzione*) equal to at least one-tenth of the price offered) on the mortgaged property.

The closed envelopes containing the offers are opened at the hearing fixed by the Court, at the presence of the bidders. If there is a sole offer one-fifth above the minimum bid price (sets forth by the Court on the basis of an expert's appraisal), such offer is accepted and the mortgaged property is consequently assigned to the relevant bidder. In the event no offer one-fifth above the minimum bid price is made, but one offer is available in an amount lower than the aggregate of (i) the minimum bid price and (ii) an amount equal to one-fifth thereof (provided that offers below the minimum bid price will not qualify), the Court cannot sell the mortgaged property if (i) the lender rises objections to the sale at that price, or (ii) the Court deems that, by a sale at auction (*vendita con incanto*), the mortgaged property can be sold at a higher price. In the event more than one offer one-fifth above the minimum bid price exist, the Court may invite the bidders to make a new offer on the mortgaged property higher than the previous highest one. In the event no new offer is made, the Court may (i) assign the mortgaged property to the bidder who made previously the highest offer, or (ii) order to proceed with the sale at auction (*vendita con incanto*) of the mortgaged property. In these cases, and in the event no qualifying offer is made, the Court orders that the mortgaged property be sold at auction (*vendita con incanto*).

In case of sale at auction (*vendita con incanto*) of the mortgaged property, the Court determines on the basis of the expert's appraisal the minimum bid price for the property at the auction. Offers which do not exceed the minimum bid price, or the preceding offer, will not be accepted. Vice versa, once 3 minutes have elapsed from the last bid without any other ameliorative bid having been made, the property is awarded to the last bidder. However, the mortgagee or any other interested creditor may, within ten days after the auction, make additional bid, provided that the bid price offered during the auction is increased by $1/5^{th}$. In this latter case, a new sale by auction will take place.

If an auction fails to result in the sale of the property, the Court will appoint an administrative receiver (*amministratore giudiziario*) or will arrange a new auction with different terms of sale and publicity, and a lower minimum bid price. The Court has discretion to decide whether, and to what extent, the bid price should be reduced (the maximum permitted reduction being one-fourth of the minimum bid price of the previous auction). In practice, the Court tends to apply the one-fourth reduction. If the Court decides different terms of sale or a lower price from the ones set out for the first auction, it also sets out a new term, not lower than sixty days and not higher than ninety days, to receive new offers without auction. In the event no offer is made during an auction (or otherwise in the contest of the sale), the mortgage lender may apply to the Court for a direct assignment of the mortgaged property to the mortgage lender itself by way of satisfaction *pro tanto* of its debt claims towards the debtor. In practice, however, the Court tends to hold actions until the mortgaged property is sold.

The sale proceeds, after deduction of the expenses of the foreclosure proceedings and any expenses for the deregistration of the mortgages, will be applied in satisfaction of the claims of any mortgage lenders, with priority according to the ranking of each mortgage and in priority to the claims of any other unsecured creditor of the debtor (except for certain claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Pursuant to article 2855 of the Civil Code, as mentioned in section "*—Mortgage (ipoteca)*" above, the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an amount equal to the aggregate of (i) the interest accrued at the contractual rate in the year in which the attachment (*pignoramento*) is initiated and in the two preceding years and (ii) the interest accrued, following the completion of the year in which the attachment (*pignoramento*) is initiated, at the legal rate until the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy, on a *pari passu* basis, the claims of any other creditor participating in the foreclosure proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the Court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the debtor during such proceedings, such recourse being limited to the value of the mortgaged property.

According to statistics published by the Bank of Italy in February 2009 ("*Questioni di Economia e Finanza, La Giustizia Civile in Italia: divari territoriali*"), the average duration of enforcement proceedings regarding mortgaged immovable properties in 2006 exceeded four years and a half, although such period may vary significantly depending upon, *inter alia*, the type and location of the related mortgaged real estate and the other factors described in the section entitled "*Risk Factors*". In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in Southern Italy the length of the procedure can significantly exceed the average. Furthermore, it should be noted that this Securitisation benefits from first ranking security interests granted in accordance with, *inter alia*, Luxembourg.

Enforcement Proceedings regarding Pledged Movable Property (*espropriazione mobiliare*)

As an alternative to the remedies described above under Section (*Pledges*), a pledgee may commence enforcement proceedings against the pledged assets in the jurisdiction where they are located.

For this purpose, the pledgee must obtain an enforcement order (*titolo esecutivo*). As for the *espropriazione immobiliare*, if the deed pursuant to which acknowledgment is made of the drawdown of the loan (*quietanza*) was executed in the form of a public deed (*atto pubblico*) or, since 1 March 2006, also of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*), the pledger can serve a copy of the loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*), directly on the debtor without the need to obtain a *titolo esecutivo* from the Court.

The enforcement order (*titolo esecutivo*), accompanied by a writ of execution (*atto di precetto*) requesting payment of the relevant obligation, is notified to the debtor.

Differently from the case of enforcement of a mortgaged immovable property, in case of enforcement of a movable asset there is no need to obtain an attachment order (*atto di pignoramento*) on the pledged asset, so that the term (not earlier than ten days and not later than 90 days) for the filing of the request to the Court to arrange

for the sale of the pledged asset starts immediately after the notification of the writ of execution (*atto di precetto*).

Within the mentioned term, the pledgee may then request the court to (a) share out the pledged asset in case of moneys; (b) assign the pledge asset in case they consist of listed or marketable securities; and (c) sell any other pledged moveable property.

The Court may authorise the sale (*vendita senza incanto*) of the pledged asset or the sale through a professional receiver and determines - on the basis, if necessary, of the expert's appraisal - the minimum price for the sale. In case of listed or marketable securities the sale cannot be concluded at a price lower than their minimum market price.

Should the sale not be concluded within one month of the issuance of the authorization to the sale and unless such term is prorogued, the Court will dispose the sale at auction (*vendita con incanto*) of the pledged asset and will determine on the basis of the expert's appraisal the minimum bid price for the property at the auction. Alternatively, the Court may authorize, if deemed opportune, the sale to the best bidder (*miglior offerente*), without determining a minimum bid price. In case of listed or marketable securities, such minimum bid price is in any case equal to the minimum market price of the pledged asset registered on the day preceding the sale. The pledged asset is awarded to the best bidder if no ameliorative offer is made after a double pronunciation (*enunciazione*) of the highest price offered. In case an auction fails to result in the sale of the property, a new auction will be set out for a minimum bid price lower than the last minimum bid price of 20 per cent.

The sale proceeds, after deduction of the expenses of the foreclosure proceedings, will be applied in satisfaction of the claims of any the pledgee and in priority to the claims of any other unsecured creditor of the debtor, which may have participated in the enforcement proceedings.

Insolvency Proceedings

Insolvency proceedings (*procedure concorsuali*) conducted under Italian law may take the form of, inter alia, bankruptcy proceeding (*fallimento*), under article 5 et seq. of the Bankruptcy Law, a composition with creditors (*concordato preventivo*), under article 160 et seq. of the Bankruptcy Law, agreements to restructure indebtedness (*accordi di ristrutturazione dei debiti*), under article 182-bis of the Bankruptcy Law) and the even more flexible option of restructuring agreements under article 67, 3 letter d) of the Bankruptcy Law. On a general note, insolvency proceedings are only applicable to commercial and not small enterprises (*imprese*) either run by companies, partnerships or individuals (*imprenditori commerciali non piccoli*) (as better described below). An individual who is not a sole entrepreneur or an unlimited partner in a partnership is not subject to insolvency nor can it benefit of the above insolvency procedures. The procedure followed will depend on factors relating to the financial status of the debtor, the court and the creditors involved.

Bankruptcy Proceeding (*fallimento*)

A debtor can be declared bankrupt (*fallito*) and subject to bankruptcy if it is not able to fulfil its obligations in a timely manner. A request to declare a debtor bankrupt and to commence a bankruptcy proceeding for the judicial liquidation of its assets can be filed by the debtor, a creditor, or public prosecutor. The request must be approved by an insolvency court. The Bankruptcy Law is applicable only to commercial enterprises (*imprenditori commerciali*) if any of the following thresholds is met: (a) active assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million in each of the latest three fiscal years; (b) gross revenues in an aggregate amount exceeding €0.2 million for each of the latest three fiscal years; and (c) total indebtedness (even undue) in excess of €0.5 million. From the day of declaration of bankruptcy:

(a) subject to certain exceptions, no individual foreclosure and precautionary action, even if relating to receivables becoming overdue during the bankruptcy proceeding, may be commenced or pursued against assets included in the bankruptcy proceeding and creditors must file their claims *vis-à-vis* the bankrupt before the competent court within a defined period. Once the court has approved creditors' claims, the sale of the debtor's property is managed in accordance with a liquidation plan (approved by the delegated judge and the creditors' committee) which may provide for the sale of the whole business or single business units, including through competitive procedures. Secured claims are paid out of the proceeds of the secured assets, together with interest and expenses. Any outstanding balance will be considered unsecured and rank *pari passu* with all of the bankrupt's other unsecured debt. In addition, under certain circumstances creditors secured by way of pledge or privilege may - as soon as their

claims are admitted as preferred claims - be authorised by the designated judge (*giudice delegato*) to sell, also pending the bankruptcy proceedings, the secured asset in order to satisfy their claims on the proceeds of such sale. After hearing the bankruptcy receiver (*curatore fallimentare*) and the creditors' committee, the designated judge decides whether to authorize such sale, and sets forth the timing in its decision;

(b) The debtor loses control over all of its assets and of the management of its business, which is taken over by a court appointed receiver (*curatore fallimentare*);

(c) any action by the debtor after a declaration of bankruptcy with respect to a creditor is ineffective;

(d) continuation of business may be authorised by the court if an interruption would cause greater damage to the company, but only if the continuation of the company's business does not cause damage to creditors; and

(e) the execution of certain contracts and/or transactions pending as of the date of the bankruptcy declaration are suspended until the receiver decides whether to take them over.

The bankruptcy proceeding is carried out under the direction of the receiver and under the supervision of a judge (*giudice delegato*) and a creditors' committee. The bankruptcy receiver is responsible for the liquidation of the assets of the debtor for the satisfaction of creditors. The proceeds from the liquidation are distributed to the creditors whose claims have been filed and approved by the court in accordance with statutory priority. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real property. The Bankruptcy Law provides for priority to the payment of certain preferential creditors, including employees, the Italian treasury and judicial and social authorities.

In relation to the bankruptcy proceeding, it is worth-mentioning also the following:

- bankruptcy composition with creditors (*concordato fallimentare*): a bankruptcy proceeding can be terminated prior to liquidation through a bankruptcy composition with creditors. Over the first year following the bankruptcy declaration, only creditors or third parties may file a composition proposal, whereas the debtor or its subsidiaries are admitted to file such a proposal only after such period. The petition must indicate the percentage of the unsecured claims that will be paid and the timing of the repayment. The petition may provide for the division of creditors into Classes (thereby proposing different treatments among the Classes), and the restructuring of debts and the satisfaction of creditors in any manner. The petition may provide the possibility that the secured claims are paid only in part. The *concordato fallimentare* proposal must be approved by the creditors' committee and creditors holding the majority of claims (and, if Classes are formed, by majority of claims in a majority of Classes). Final court confirmation is required;

- statutory priorities: the statutory priority given to creditors under the Bankruptcy Law may be different from priorities in the United States, the United Kingdom and certain other European Union jurisdictions. In Italy, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors, which include the claims of the Italian tax authorities and social security administrators and claims for employee wages. The rules of statutory priority apply irrespective of whether the proceeds are derived from the sale of the entire bankrupt's estate or part thereof, or from a single asset. Article 111 of the Bankruptcy Law establishes the order of allocation of proceeds deriving from liquidation. In particular, the law sets a hierarchy of claims that must be strictly adhered to when distributing the proceeds derived from the sale of the entire bankrupt's estate, a part thereof, or from a single asset;

- avoidance powers in insolvency: similarly to other jurisdictions, there are so-called "claw-back" or avoidance provisions under Italian law that may give rise to the revocation of payments or security interests made by the debtor prior to the declaration of bankruptcy. The key avoidance provisions include transactions made below market value, preferential transactions and transactions made with a view to defraud creditors. Claw-back rules under Italian law are normally considered to be particularly favourable to the bankruptcy receiver in comparison to the rules applicable in the United States and the United Kingdom. The Bankruptcy Law distinguishes between acts or transactions which are ineffective by operation of law and acts or transactions which are voidable at the request of the bankruptcy receiver/court commissioner.

In a bankruptcy proceeding, the Bankruptcy Law provides for a claw-back period of up to one year (six months in certain circumstances). In addition, in certain cases, the bankruptcy receiver can seek the Court to set aside transactions effected in the previous five years under article 2901 of the Civil Code (*revocatoria ordinaria*), provided the bankrupt entity disposed of its assets prejudicially to creditor's rights and was aware of such prejudice (or, if the transaction was entered into prior to the date on which the claim was originated, that such transaction was fraudulently entered into by the bankruptcy entity for the purpose of prejudicing the bankrupt entity) and that, in the case of a transaction entered into for consideration with a third person, the third person was also aware of such prejudice (and, if the transaction was entered into prior to the date on which the claim was originated, such third person participated in the fraudulent design).

In any case, it should be noted that: (a) under article 64 of the Bankruptcy Law, all transactions for no consideration or at an undervalue, depending on certain circumstances, are ineffective *vis-à-vis* creditors if entered into by the bankrupt entity in the two-year period prior to the insolvency declaration; and (b) under article 65 of the Bankruptcy Law, payments of receivables falling due on the day of the insolvency declaration or thereafter are ineffective *vis-à-vis* creditors, if made by the bankrupt entity in the two-year period prior to insolvency.

Court Supervised Pre-bankruptcy Composition with Creditors pursuant to article 160 et seq. of the Bankruptcy Law (*concordato preventivo*)

A company, in a state of crisis or insolvency that has not been declared bankrupt by the court, has the option to seek an arrangement with its creditors, under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of bankruptcy proceedings. Such arrangement with creditors can be sought by a company which is eligible to be declared bankrupt pursuant to the Bankruptcy Law (see section "*—Bankruptcy Proceeding (Fallimento)*" above). Only the debtor can file a petition with the court for a *concordato preventivo* (together with, *inter alia*, the proposed arrangement to be executed with its debtors and an independent expert report certifying the feasibility of the composition proposal and the truthfulness of the business data provided by the company). The petition for *concordato preventivo* is then published by the debtor in the Companies' Register (*Registro delle Imprese*). From the date of such publication to the date on which the court sanctions (*omologa*) the *concordato preventivo*, all enforcement and cautionary actions by the creditors (whose title to enforcement arose before the filing with the court) are stayed. Pre-existing creditors cannot obtain security interests (unless authorised by the court) and judicial mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the Companies' Register are ineffective against such pre-existing creditors. The composition proposal filed in connection with the petition may provide for: (a) the restructuring of debts and the satisfaction of creditors in any manner, including by way of example, through extraordinary transactions such as the granting to creditors and their subsidiaries or affiliated companies of shares, bonds (also convertible into shares), or other financial instruments and debt securities; (b) the transfer to a third party who undertakes the debts (*assuntore*) of the operations of the business involved in the proposed composition agreement; (c) the division of creditors into Classes; and (d) different treatments for creditors belonging to different Classes. The composition proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes. The composition proposal may propose that (i) the debtor's company's business continues to be run by the debtor's company as a going concern; or (ii) the business is transferred to one or more companies and any assets which are no longer necessary to run the business are liquidated (*concordato con continuità aziendale*). In these cases, the petition for the *concordato preventivo* should fully describe the costs and revenues which are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. The report of the independent expert shall also certify that the continuation of the business is conducive to the satisfaction of creditors' claims to a greater extent than if such composition proposal was not implemented. Furthermore, the going concern based arrangements with creditors can provide for, inter alia, the winding-up of those assets which are not functional to the business allowed. If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure, appoints one or more judicial officers (*commissari giudiziali*) and calls a creditors' meeting. During the implementation of the proposal, the company generally continues to be managed by its board of directors, but is supervised by the appointed judicial officers and judge (who shall authorize all transactions that exceed the ordinary course of business). The *concordato preventivo* must be approved by creditors representing a majority of claims entitled to vote (including privileged or secured creditors regarding those claims to which they have waived their right to security in relation to the procedure or that are not to be satisfied pursuant to the recovery plan). Where different Classes of creditors are formed, the *concordato preventivo* is approved if also the majority of Classes approve it by a majority vote of the relevant creditors entitled to vote. Those creditors who, being entitled to vote, did not do so and those who did not express their dissent (including failing to notify their objection via telegraph, fax,

mail or certified e-mail) within 20 days of the closure of the minutes of the creditors' meeting are deemed to be consenting to the *concordato preventivo*. After the creditors' approval, the court must confirm the *concordato preventivo* proposal and decide on possible objections raised by dissenting creditors. During the implementation of the composition arrangement, the company is managed by the debtor under the surveillance of a judicial commissioner (*commissario giudiziale*) appointed by the court, and under the supervision of the court. If the *concordato preventivo* fails, the court may declare the company bankrupt.

Pre-application for the Composition with Creditors (*concordato preventivo in bianco*), even in view of a Restructuring Agreement (*accordo di ristrutturazione del debito*)

The filing of the application for a composition with creditors (*concordato preventivo*) and the application for the certification of a restructuring arrangement (*accordo di ristrutturazione del debito*) may be pre-empted by the filing by the debtor's distressed company of a pre-application for a composition with creditors (*concordato preventivo*). In particular, according to article 161, paragraph 6, of the Bankruptcy Law, the distressed company may file a pre-application for the composition with creditors together with (a) the financial statements of the last three financial years; and, pursuant to the recent Italian law decree number 69 of 2013 as converted into law by law number 98 of 9 August 2013 ("**Law Decree 69/2013**") (b) the list of creditors with the reference to the amount of their respective receivables, asking the competent court to set a deadline, between 60 and 120 days (subject to a further extension of up to 60 days where there are reasonable grounds (*giustificati motivi*)) for the filing of the additional documents required for the filing of a petition at court for a *concordato preventivo*. Pursuant to Decree 69, the court, if it accepts such pre-application, may appoint a judicial commissioner to overview the company, who, in the event that the debtor has carried out one of the activities under article 173 of the Bankruptcy Law (e.g., concealment of part of assets, omission to report one or more claims, declaration of non-existent liabilities or commission of other fraudulent acts), shall report it to the court, which, upon further verification, may reject the petition at court for a *concordato preventivo*. The debtor company may not file such pre-application where it had already done so in the previous two years without the admission to the *concordato preventivo* (or the certification of a debt restructuring agreement) having followed. The decree setting the term for the presentation of the documentation contains also the periodical information requirements (relating also to the financial management of the company and to the activities carried out for the purposes of the filing of the application and the restructuring plan) that the company has to fulfil, at least on a monthly basis, until the lapse of the term established by the court. The debtor company shall file, on a monthly basis, the company's financial position, which is published, the following day, in the Companies Register. Non-compliance with these requirements results in the application for the composition with creditors being declared inadmissible and, upon request of the creditors or the public prosecutor and **provided that** the relevant requirements are verified, in the adjudication of the distressed company into bankruptcy. If the activities carried out by the debtor company appear to be clearly inappropriate to the preparation of the application and the restructuring plan, the court may, *ex officio*, after hearing the debtor and - if appointed - the judicial commissioner, reduce the time for the filing of additional documents. Following the filing of the pre-application and until the decree of admission to the composition with creditors, the distressed company may (a) carry out acts pertaining to its ordinary activity; and (b) seek the Court's authorisation to carry out acts pertaining to its extraordinary activity, to the extent they are urgent. Claims arising from acts lawfully carried out by the distressed company are treated as super senior (*prededucibili*) pursuant to article 111 of the Bankruptcy Law and the related acts, payments and security interests granted are exempted from the claw-back action provided under article 67 of the Bankruptcy Law. Law number 9 of 21 February 2014 specified that the super-seniority of the claims – which arise out of loans granted with a view to allowing the filing of the pre-application for the composition with creditors (*domanda di pre-concordato*) - is granted, pursuant to article 111 of the Bankruptcy Law, conditional upon the proposal, the plan and all other required documents being filed within the term set by the court and the company being admitted to the *concordato preventivo* within the same proceeding opened with the filing of the pre-application.

Agreements to Restructure Indebtedness (*accordi di ristrutturazione dei debiti*) pursuant to article 182-bis of the Bankruptcy Law

Out of court arrangements for the restructuring of indebtedness entered into with creditors representing at least 60 per cent of the outstanding claims can be ratified by the court: an independent expert must certify that the agreement is feasible and, particularly, that non-participating creditors can be fully satisfied within 120 days from (a) the sanctioning (*omologazione*) of the debt restructuring agreement by the court, in case the relevant claims are already due and payable to the non-participating creditors as at the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court; or (b) the date on which the relevant debts fall due, in case the relevant claims are not yet due and payable to the non-participating creditors as of the date of the sanctioning (*omologazione*) of the restructuring agreement by the court. Only the debtor who is in a situation

of financial distress (i.e., facing financial distress which does not yet amount to insolvency) can request the court's sanction of the debt restructuring arrangements entered into with its creditors (*omologazione*). The agreement must be made public through its filing with the register of the companies and is effective as of the day of its publication. For 60 days from such publication all precautionary or enforcement actions by existing creditors are stayed. Such moratorium can be also requested, pursuant to article 182-bis, paragraph 6, of the Bankruptcy Law, by the debtor pending negotiations with creditors on the content of the envisaged debt restructuring agreement, subject to the fulfilment of certain conditions. Such moratorium request must be published in the Companies' Register (*Registro delle Imprese*) and becomes effective as of the date of publication. The court, having verified the completeness of the documentation, sets the date for a hearing within 30 days of the publication and orders the company to supply the relevant documentation in relation to the moratorium to the creditors. In such hearing, the court assesses whether the conditions for granting the moratorium are in place and, if they are, orders that no precautionary or enforcement action may be started or continued, nor can security interests (unless agreed) be acquired over the assets of the debtor, and sets a deadline (not exceeding 60 days) within which the restructuring agreement has to be filed. The court's order may be challenged within 15 days of its publication. Within the same time frame, an application for the *concordato preventivo* (as described above) may be filed, without prejudice to the effect of the moratorium. The Bankruptcy Law does not expressly provide for any indications concerning the contents of the debt restructuring agreement. The plan can therefore provide, inter alia, either for the prosecution of the business by the debtor or by a third party, or the sale of the business to a third party and may contain, business refinancing agreements, moratoria, cut-offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes overdue, as provided in article 182-ter of the Bankruptcy Law. Creditors and other interested parties may oppose the agreement within 30 days from the publication of the agreement in the Companies' Register (*Registro delle Impre*se). The court will, after having settled the oppositions (if any), validate the agreement by issuing a decree, which may be appealed within 15 days of its publication. Pursuant to article 182-quater of the Bankruptcy Law, financings granted to a debtor "in execution of" (*in esecuzione di*) a debt restructuring agreement, as well as of a *concordato preventivo* benefit of a super senior status in case of subsequent bankruptcy of the debtor. Additionally, even the financings granted "in view of" (*in funzione di*) the filing of a petition for the sanctioning (*omologazione*) of an agreement pursuant to article 182-bis or a court supervised pre-bankruptcy composition with creditors (*concordato preventivo*) procedure benefit of the same super senior status in case of subsequent bankruptcy of the debtor where such financings are contemplated under the underlying restructuring plan and the super priority status is expressly recognized by the court in the context of the sanctioning (*omologazione*) of the debt restructuring agreement or the approval of the *concordato preventivo* procedure. Same provisions apply to financings granted by shareholders up to 80 per cent. of their amount. Pursuant to the new article 182-quinquies of the Bankruptcy Law, the court, pending the sanctioning (*omologazione*) of the agreement pursuant to article 182-bis, paragraph 1, or after the filing of the instance pursuant to article 182-bis, paragraph 6, or a petition for a *concordato preventivo*, also pursuant to article 161, paragraph 6, may authorize the debtor (a) to incur in new indebtedness pre-deductible (super senior), provided that the expert appointed by the debtor confirm that in his/her opinion the aim of the new financial indebtedness results in a better satisfaction of the creditors; and (b) to pay debts deriving from the supply of services or goods, already payable and due, provided that the expert confirm that in his/her opinion such payment is essential for the keeping of the company's activities and to ensure the best satisfaction for all creditors.

Out-of-court Reorganisation Plans (*piani di risanamento*) pursuant to Article 67, paragraph 3, letter (d), of the Bankruptcy Law

Out-of-court debt restructuring agreements are based on restructuring plans (*piani di risanamento attestati*) prepared by companies in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert appointed directly by the debtor must verify the feasibility of the restructuring plan and the truthfulness of the business data provided by the company. There is no need to obtain court approval to appoint the expert. The terms and conditions of these plans are freely negotiable. Unlike in-court pre-bankruptcy agreement proceedings and debt restructuring agreements, out-of-court reorganization plans do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third party creditors. The Bankruptcy Law provides however that, should these plans fail and the debtor be declared bankrupt, the payments and/or acts carried out for the implementation of the reorganization plan, subject to certain conditions (a) are not subject to claw-back action; and (b) are exempted from certain potentially applicable criminal sanctions. As out-of-court reorganisation plans do not qualify as insolvency proceedings, neither ratification by the court nor publication in the Companies' Register are needed (although publication in the Companies' Register is possible upon a debtor's request and would allow certain tax benefits) and, therefore,

the risk of bad publicity or disvalue judgments are lower than in case of an in-court pre-bankruptcy agreement or a debt restructuring agreement.

Forced Liquidation of the C2 Investment Fund and the MOMA Fund

Pursuant to article 57, paragraph 6-bis of the Financial Act, the C2 Investment Fund and the MOMA Fund may be made subject to forced liquidation, by court decision at the request of the SGR or of 1 or more creditors, where all of the following conditions are met: (a) the funds' assets are insufficient to meet the Funds' obligations; (b) there are no reasonable prospects that the situation may be overcome; and (c) the court is satisfied that there is a "risk of prejudice" (*pericolo di pregiudizio*).

It is unlikely that a court would consider that there is "risk of prejudice" if the funds are put into voluntary liquidation where arrangements are made to ensure equal treatment of unsecured creditors. In making its assessment as to whether there is a "risk of prejudice" a court will take into account the nature and the size of the claims of other creditors of the funds (where some creditors have relatively small claims, or, under the Fashion District Loan Agreement, are subordinated creditors).

If any of the conditions outlined above are not met, a fund can only be liquidated on a voluntary basis and it will not be subject to ordinary Italian insolvency proceedings.

A forced liquidation of the funds may also follow the opening of a "compulsory administrative liquidation" (*liquidazione coatta amministrativa*) (this is the insolvency proceedings applicable to asset management companies in Italy) of the SGR, although in that case (if the funds are not in distress) the appointed liquidators of the SGR will have the power and authority and will seek to transfer the management of the funds to another asset management company.

In the event of the funds' forced liquidation (in the circumstances outlined above) individual enforcement actions will be stayed. In addition, other selected provisions from the Italian insolvency legislation may then become applicable - but only "*to the extent compatible*" - including rules on "the effect of insolvency on existing legal relationships", including the general principle that the bankruptcy receiver (in the case of the funds, this would be the appointed liquidators) may elect whether to continue or terminate existing contracts. These rules do not apply in the context of a voluntary liquidation. The application of such rules is questionable due to the ambiguity of the relevant legal text. If the funds are put into forced liquidation by judicial decision while the SGR is not subject to "compulsory administrative liquidation", it should be less likely that above rules apply; if, conversely, the SGR is subject to "compulsory administrative liquidation", and the funds are in the position that their assets are not sufficient to meet their liabilities, with no reasonable prospects of overcoming the shortfall and a material risk of prejudice, then it may be more likely that the above rules, including the stay of individual enforcement actions and the rules on the existing legal relationships, apply.

If a forced liquidation is opened in respect of the funds, a liquidator would be appointed by Bank of Italy for the purpose of managing and liquidating the funds' assets. The liquidator would act as a public officer (and as such would be bound by strict rules of conduct backed by criminal sanctions) under the supervision of Bank of Italy and his/her acts shall be oriented to pursue the interest of creditors (and, only if there is residual value in the assets, the funds' unitholders). A sale by the liquidator would be a 'private' sale (out of court) without court supervision.

Although individual enforcement actions would be subject to a general mandatory stay upon the opening of a force liquidation of the funds, the mortgage would not be affected. Accordingly the Issuer's priority rights would stand (provided only that debts incurred by the funds for the purposes of the liquidation process - e.g., remuneration of liquidators and broker - and indirect taxes and direct taxes relating to the Properties would rank ahead of the Issuer's claim). In addition the liquidator should not be able to sell the mortgaged properties at a lower price than the amount of the mortgagee's secured claims without the consent of the mortgagee (although there is an argument that such consent may not be unreasonably withheld).

Insolvency Proceedings affecting an SGR

In the event an SGR is no longer able to meet its obligations and is in state of insolvency or has inadequately managed the funds (*mala gestio) or* any other investment funds it manages, the Minister of the Treasury (*Ministero dell'Economia e delle Finanze*), on a proposal from the Bank of Italy or CONSOB, may issue a decree withdrawing the authorisation to carry on business and ordering the compulsory administrative liquidation (*liquidazione coatta amministrativa*) of the SGR, a special bankruptcy proceeding applicable to

certain regulated types of businesses for which there is a particular control by the public authorities to safeguard general interests.

The Bank of Italy appoints one or more liquidators entitled to carry out all actions relating to the management of the SGR and the liquidation or assignment of the assets previously held by such entity (including assets pertaining to funds managed by it). The liquidators have the legal representation of the SGR and, in the exercise of their functions, are considered public officers.

The liquidators will therefore file with the Bank of Italy the list of admitted creditors, indicating the existence and order of pre-emption and security rights. The creditors entitled to the restitution of financial instruments and funds in connection with services referred to in the Bank of Italy decree shall be entered in a special section of the statement of liabilities. Subjects whose claims have not been allowed in whole or in part may present objections to the statement of liabilities regarding their own position and against the recognition of rights in favour of the persons included in the above mentioned list. Also in this scenario, the asset security held by the lender would generally give the lender priority in the distribution of the proceeds of the liquidation of the funds.

Lease Agreements

Pursuant to article 27, last paragraph, of the law number 392 of 27 July 1978 (the "**Law 392**"), lessees have a statutory right to terminate at any time their lease agreement for serious reasons (*gravi motivi*) upon service of a six-month advance notice on the lessor.

According to the prevailing case law, *gravi motivi* are considered to be objective events that are beyond the lessee's will and unforeseeable at the time the lease agreement is executed, which render extremely burdensome the performance of the lease agreement for the lessee. In particular, the Italian Supreme Court (*Corte di Cassazione*) has stated that the need to transfer the activity carried out in the rented premises to another location may be considered as *gravi motivi* for the purposes of article 27 of the Law 392 provided that this need was not a free choice of the lessee and that it arose after the execution of the relevant lease agreement. In the same ruling, the Italian Supreme Court also confirmed the principle that *gravi motivi* are considered unforeseeable events which render the use of the leased real estate as originally planned burdensome for the lessee.

On the basis of the above, it may be argued that an event considered as *gravi motivi* must be unforeseeable at the moment of the execution of the lease agreement and objective (i.e. it cannot be connected to subjective choices of the lessee).

In accordance with the above principle, the Italian Supreme Court stated that: (a) the non-achievement of a preannounced plan of growth of a suburban zone on which the lessee had relied (the decision also clarified that the unforeseeability must not be interpreted on an abstract and absolute sense but rather based upon the reasonable assurance that the event will occur); and (b) economic trends, when objectively unforeseeable, may represent a *grave motivo* for the purposes of article 27 of the Law 392.

The Italian Supreme Court also stated that the termination by the lessee of the activities for which the real estate was used does not represent, per se, a suitable requirement for the lessee to exercise its rights of withdrawal for *gravi motivi*, since this is considered a subjective decision of the lessee and not an objective and unforeseeable event.

Notwithstanding the fact that, pursuant to article 79 of Law 392, any contractual provision which grants the lessor a benefit which is not in compliance with the mandatory provisions may be deemed to be null and void, Italian law decree number 133 of 12 September 2014, converted with modifications into law by law number 164 of 11 November 2014 ("**Decree 133**") - has inserted into Law 392 a new article 79, para 2, pursuant to which, only in case of commercial leases (i) for which an annual lease higher than €250,000 is agreed upon and (ii) which do not regard properties of historical interest as determined by regional or municipal provisions, the parties have the faculty to contractually agree upon terms and conditions derogating from the mandatory provisions set forth under mentioned Law 392, including the provisions set forth under article 27, last paragraph, of the same Law 392.

Extraordinary Maintenance Costs

According to Italian law and relevant case law, extraordinary maintenance costs include material maintenance and repair expenses necessary to maintain the properties fit for leasing purposes, including any substantial repair and maintenance works or replacement reasonably required by virtue of physical depreciation

or inoperability of the properties and by new laws and regulations (excluding any works required by the specific activities carried out by the lessee), and any replacement or repair of structural elements (such as walls and roofs) which are essential for their safety and stability.

Extraordinary maintenance costs do not include regular and minor works reasonably required to maintain the properties in good maintenance conditions in connection with the regular use and operation of the same.

Extraordinary maintenance costs do not include modifications and improvements of the leased properties.

Pursuant to combined application of articles 1576 and articles 9 of Law 392, the extraordinary maintenance costs are borne by the landlord. However, new article 79, para 2, of Law 392 mentioned above, allows the parties of a lease agreement (provided only that an annual lease higher than €250,000 is agreed upon and that such lease does not regard properties of historical interest as determined by regional or municipal provisions) to derogate to such mandatory provision so that all the extraordinary maintenance costs are borne by the tenant.

Provisions Governing Recovery of Amounts due under the Lease Agreements

A delay or a default by a tenant on its payment obligations under a lease agreement, entitles the landlord to serve the tenant with a motion for eviction (the "**Motion**"), and convene it to appear before the competent Court for the purposes of ordering the eviction (the "**Order**").

If the tenant does not appear before the Court, or does not challenge the Motion and provided that it is still breach of its obligation to pay the rent, the Court issues the Order and orders the tenant to release the leased property. The issuance of the Order is made approximately 30-60 days from the date of the service of the Motion. In case the tenant appeared before the Court but did not challenge the Motion, the Order is immediately enforceable *vis-à-vis* the condemned party; otherwise the Order will become enforceable after 30 days of its issuance.

In the event the tenant challenges the Motion (a) the judge may still issue the Order; and (b) in any case special proceedings would follow in order to confirm the Order and to condemn the tenant to release the relevant property. Such proceedings may take a minimum of approximately 18-24 months.

If the tenant, notwithstanding the issuance and/or the confirmation of the Order, does not release the property within a reasonable time after the date of the issuance of the Order or of the confirmation of the Order, further proceedings in order to enforce the Order and obtain the release of the property will follow. The enforcement proceedings may take, on average, a minimum of approximately 6-9 months.

It may take a minimum of approximately 30-36 months to obtain the issuance of the sentence in first instance from such ordinary proceeding. The judgement issued in first instance is immediately enforceable *vis-à-vis* the condemned party.

In the same proceedings, the landlord is also entitled to request the judge to order the tenant to pay the unpaid rents by issuing an injunction order (the "**Injunction Order**"). Usually, in order to obtain the issuance of the Injunction Order written evidences of the due amount are requested. Having proved the due amount by filing the relevant invoices with the court, it is predictable that the judge would issue the Injunction Order.

The Injunction Order, which is immediately enforceable, must be served upon the tenant and may be challenged by it within 40 days from the date of the service. In the event the Injunction Order is challenged by the tenant, ordinary proceedings will start. Such proceedings may take a minimum of approximately 30-36 months.

Should the tenant appear before the Court, and challenge the Motion with reference to the rent amount claimed by the landlord, the Court may in any case order the payment of the amount not disputed and gives the tenant a term not exceeding 20 days to comply with such Order. Vice versa, the Court orders the tenant to release the leased property and issue the Injunction Order for the payment of the rent.

Effect of Bankruptcy of the Tenant on the Lease Agreement

If a tenant is declared bankrupt, the bankruptcy receiver is entitled either to continue or terminate the lease agreement, regardless of its contractual duration.

In case of continuation of the lease agreement, the receiver would be bound by the obligations of the tenant under the lease agreement (including obligations concerning the delivery of the real estate unit at the end of the lease), and would be obliged to pay any rent matured after the declaration of insolvency. According to certain case law, the lessor's credit for such amounts should be considered as super senior and thus immediately payable (*prededuzione*), and the receiver should be obliged to pay the rent according to the lease agreement provisions. The receiver would not be entitled to modify terms and conditions of the lease agreement and would be able only to decide whether or not to continue the lease agreement on the same terms and conditions.

Pursuant to article 80 of the Bankruptcy Law, the lender is entitled to fair compensation (the "**Compensation**") if the bankruptcy receiver unilaterally elects to terminate the agreement. The Compensation is a super senior credit of the lender, to be paid immediately by the bankruptcy receiver. Should an agreement between the parties not be reached, the Compensation is determined by the competent Bankruptcy Court, which mainly considers the remaining period of time during which the lease agreement should have been effective and the amount of the rent due.

Mediation

Pursuant to article 5 of Italian legislative decree number 28 of 4 March 2010, as subsequently amended by Italian law decree number 69 of 21 June 2013, converted into law by law number 98 of 9 August 2013 (the "**Mediation Decree**") before starting in front of a court any civil proceedings relating to, *inter alia*, rights in rem, lease agreements, insurance, banking and finance agreements, the plaintiff has to attempt to settle the relevant dispute trough a mediation process in accordance with the provisions set forth under the Mediation Decree.

The prior attempt of mediation constitutes, for a period of four years staring from the come into force of the section of the law number 98 of 9 August 2013 concerning the mediation (i.e., until 20 September 2017) a condition to the commencement of the judicial action (*condizione di procedibilità dell'azione*). It is worth to note, however, that (i) such condition is considered satisfied also in case the first hearing before the mediator ends without the parties having reached an agreement and (ii) once commenced, the mediation proceedings cannot last for more than three months from the filing of the relevant request for mediation. Thus delay that this new procedural requirement can cause to the commencement of the ordinary civil proceedings should not exceed such mandatory deadline.

The commencement of injunction and precautionary proceedings as well as of proceedings for the issuance of an order of eviction related to leased properties (*procedimenti per convalida di licenza o sfratto*) is not subject to the mentioned condition to the commencement of the judicial action (*condizione di procedibilità dell'azione*).

Accounting Treatment of the Loan Portfolio

Pursuant to the Bank of Italy regulations, the accounting information relating to the securitisation of the Loan Portfolio will be contained in the Issuer's accounts which, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

CERTAIN MATTERS OF ENGLISH LAW

The following is an outline of certain aspects of English law and practice relevant to lending on a secured basis over English real property. This is not a complete summary of currently applicable English law or practice, and should not be treated as a substitute for professional advice. Prospective Noteholders who are in any doubt as to any matter described in this Offering Circular should consult their own professional advisors.

Security under English Law

Floating Charge

A lender will typically seek floating security with respect to a loan. Floating security is an immediate equitable charge over all or nearly all of the borrower's existing and future assets. On an event of default (or on any other basis specified in the charging document) a floating charge will crystallise, attaching to the borrower's then-existing assets and conferring priority over general creditors. Prior to crystallisation, the floating charge is unattached to any particular property or asset and the borrower is at liberty to deal with that property in the ordinary course of its business.

In the context of commercial property lending, mortgages and fixed charges are taken over virtually all of the significant assets of the borrower (other than those assets secured by way of a method referred to above). As such, the purpose of the floating charge is to "*sweep up*" any residual assets and assets acquired in the future, and to protect against any of the fixed charges which have been taken proving ineffective.

Floating charges are subject to a number of significant limitations. Firstly, the nature of the charge allows the borrower to dispose of the charged assets free of the lender's interest. As such there is a real possibility that there may be few or no assets subject to the charge at the time of enforcement. Secondly, a fixed charge allows the borrower to create prior ranking fixed security over the charged assets, which would potentially defeat the floating chargee's interest on an enforcement. However, the terms of the central credit agreement will usually provide for an event of default to occur if the borrower attempts to create such security. Thirdly (and most importantly) certain amounts owing to certain unsecured creditors ("**preferential creditors**") rank ahead of floating charge creditors.

Recent changes to the Insolvency Act 1986 that were implemented by the Enterprise Act 2002 abolished Crown preference and in its place imposed an obligation on the receiver, liquidator or administrator of a company, which has created a floating charge over its assets, to hold aside a portion of the proceeds of realisation of such floating security, in an amount of up to €600,000, for the satisfaction of unsecured debts in priority to the claims of the floating charge holder (the "**unsecured creditors' fund**").

Limitation on Taking Security

Notice. Where the subject matter of an English charge consists of rights against a third party (being, for the purposes of this section, an "**obligor**") such as an insurance company under an insurance contract, a bank in respect of sums standing to the credit of a bank account or a tenant under a lease, the relative priority of competing security interests in such right will be determined in part by reference to the date on which notice of the charge was given to the relevant obligor. Hence a charge notice of which has been given to the relevant obligor will take (subject to the above) priority over a charge notice of which has not been given even if the non-notified charge was created prior to the notified one. Furthermore, where two charges have been created over the same set of rights both of which have been notified to the relevant obligor, their relative priority will be determined by the date on which the chargees gave notice to the relevant obligor.

Set-off. In addition to the above, charges over rights against obligors are subject to rights of set-off between the obligor and the chargor. Although the giving of notice of the charge to the obligor stops most new rights of set-off from accruing, rights of set-off which came into existence prior to the giving of notice will take effective priority over the interests of the chargee. In addition certain rights of set-off which are fundamental to the contract between the obligor and the chargor will continue to accrue even after the giving of notice.

Enforcement of Loan Transaction Security

Default Interest Under the Loans

The Loans provide for default and prepayment provisions. English law generally limits the ability of creditors to charge default interest on late payments. The courts have in a series of cases laid down the principle

that any such late charges are void to the extent they constitute penalties. To establish that a particular payment is not a penalty, it is generally required that the relevant creditor demonstrate that the payment is a fair measure of the creditor's expected commercial loss arising as a result of the late payment.

CERTAIN MATTERS OF LUXEMBOURG LAW

This section summarises certain Luxembourg law aspects and practices in force at the date hereof relating to the transactions described in this Offering Circular. It does not purport to be a complete analysis and should not, therefore, be treated as a substitute for comprehensive professional, legal and tax advice on the relevant matters, nor on any such issue which may be relevant in the context of this Offering Circular.

The Luxembourg security providers under the Loans (each, a "**Luxembourg Obligor**") are incorporated under the laws of the Grand Duchy of Luxembourg ("**Luxembourg**"), and there are assets located in Luxembourg which are subject to security interests.

Insolvency

Accordingly, the Luxembourg District Court, sitting in commercial matters (the "**Commercial Court**"), should have, in principle, jurisdiction to open main insolvency proceedings with respect to each Luxembourg Obligor, each having its registered office and central administration (*administration centrale*) and "*center of main interests*" (*centre des intérêts principaux*) ("**COMI**"), as defined in Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings, as amended (the "**EU Insolvency Regulation**"), in Luxembourg, such proceedings to be governed by Luxembourg insolvency laws. According to the EU Insolvency Regulation, the place of the registered office of a company will be presumed to be the centre of its main interests in the absence of proof to the contrary. As a result, there is a rebuttable presumption that the COMI (for the purposes of the EU Insolvency Regulation) of each of the Luxembourg Obligors is located in Luxembourg and consequently that the Commercial Court would have, in principle, jurisdiction to open "*main insolvency proceedings*" (as defined in the EU Insolvency Regulation), such proceedings to be governed by Luxembourg law. However, the localization of the COMI (including the COMI of the Luxembourg Obligors) is a question of fact, which may change from time to time.

Under Luxembourg insolvency laws, the following types of proceedings (together, the "**Luxembourg Insolvency Proceedings**") may be opened against a Luxembourg Obligor:

- bankruptcy proceedings (*faillite*), the opening of which may be initiated by a Luxembourg Obligor. The managers/directors of the relevant Luxembourg Obligor have the compulsory obligation to file for the opening of bankruptcy proceedings within one month in the case a Luxembourg Obligor is in a state of cessation of payment (*cessation des paiements*). Following such a request, the Commercial Court having jurisdiction may open bankruptcy proceedings, if a Luxembourg Obligor has ceased to make its payments (*cessation de paiement*) and has lost its creditworthiness (*ébranlement de credit*). If the Commercial Court considers that these criteria are met, it may open bankruptcy proceedings on its own motion, absent a request made by a Luxembourg Obligor or any of its respective creditors. The period within which creditors must file their proofs of claims (*déclarations de créances*) is specified in the judgment adjudicating the relevant Luxembourg Obligor bankrupt. Claims filed after such period may nevertheless be taken into account by the bankruptcy receiver subject to certain limitations as to distributable proceeds. Bankruptcy proceedings are primarily designed to realize the assets of the bankrupt entity in order to pay off its debts. One of the main effects of such proceedings is the stay of proceedings: unsecured creditors (*créanciers chirographaires*) and creditors with a general priority right (*privilège général*) would, as of the bankruptcy order, no longer be permitted to take any action based on title to movable and immovable assets, nor any enforcement action against the Luxembourg Obligor's movable or immovable assets. Assets over which security interests have been granted will, in principle, not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realized). Secured creditors who are holding security interests falling within the scope of the Luxembourg law of 5 August 2005 on financial collateral arrangements, as amended (the "**Luxembourg Collateral Act 2005**"), may enforce their security interests regardless of the bankruptcy adjudication. The bankruptcy receiver will realize the Luxembourg Obligor's assets and distribute the proceeds to the relevant Luxembourg Obligor's creditors in accordance with the statutory order of payment and, if there are any funds lefts, to the bankrupt Luxembourg Obligor's shareholders;

- controlled management proceedings (*gestion contrôlée*) which are governed by the grand ducal decree of 24 May 1935 (the "**Decree**"), are available to the relevant Luxembourg Obligor, in the event that it no longer has creditworthiness or is experiencing difficulties in meeting all of its commitments. The purpose of controlled management proceedings is to assist the Luxembourg Obligor in reorganizing its business or in optimizing the sale of its assets under the supervision of the Commercial Court and of court appointed commissioners (*commissaires*) and with the approval of the creditors. The opening of

such proceedings may only be requested by the management of the relevant Luxembourg Obligor and not by its respective creditors. The Commercial Court first examines the request (and the evidence) filed by the applicant to determine whether a controlled management order is justified. If the application is not dismissed, the Commercial Court appoints one of its judges (*juges délégués*) to prepare a report on the financial situation of the applicant's business. The court order does not prevent creditors from commencing or continuing court proceedings against the applicant, but the creditors are, as of that date, not permitted to enforce any court judgments against the applicant. Security interests falling within the scope of the Luxembourg Collateral Act 2005 will, however, be enforceable notwithstanding the controlled management proceedings. As of the same judgment, the relevant Luxembourg Obligor may not, without the written approval of the appointed judge, dispose of its assets, grant pledges or mortgages, make commitments or payments, enter into settlement agreements, borrow money or receive funds. Once the report has been finalized, the Commercial Court decides whether the application for controlled management will be granted or rejected. If the application is granted, one or more commissioners will be appointed by the Commercial Court to prepare a reorganization or liquidation plan. The relevant Luxembourg Obligor may not, without the commissioners' prior approval, and under penalty of nullity of such acts, alienate any of its assets, grant pledges or mortgages, borrow or receive any amounts of money, enter into settlement agreements, or perform any management activity including making any commitments under any agreement, without the formal authorisation of the commissioners. The commissioners may impose measures to preserve either the company's interests or those of the creditors and challenge (by means of voidance actions or claw-back actions) transactions and payments made in violation of the creditor's rights and in violation of the Decree. The reorganization or liquidation plan must be accepted by a majority (representing, via their claims which have not been challenged by the commissioner(s), at least half of the relevant Luxembourg Obligor's liabilities) of creditors to become binding; and

- composition proceedings (*concordat préventif de la faillite*), the obtaining of which is requested by the relevant good faith Luxembourg Obligor and must be supported by proposals of composition. The composition may only be adopted if a majority of the creditors (representing, via their unchallenged claims, 3/4 of the relevant Luxembourg Obligor's liabilities) have adhered to the proposals and if composition has been homologated by the Commercial Court. The obtaining of such composition proceedings will trigger a provisional stay on enforcement of claims by creditors. The composition has, in principle, no effect on the claims secured by a mortgage, a privilege or a pledge and on claims by the tax authorities. Composition proceedings are rarely used in practice since they are not binding upon secured creditors.

In addition to these proceedings, the ability to receive payments for the holders of the Notes may be affected by a decision of the Commercial Court to grant a stay on payments (*sursis de paiement*) or to put the relevant Luxembourg Obligor into judicial liquidation (*liquidation judiciaire*). Judicial liquidation proceedings may be opened at the request of the public prosecutor against the relevant Luxembourg Obligor pursuing an activity violating criminal laws or which is in serious breach or violation of the Luxembourg Commercial Code or of the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the "**Companies Act 1915**"). The management of such liquidation proceedings will generally follow similar rules as those applicable to bankruptcy proceedings. Liability of the relevant Luxembourg Obligor in respect of the Loans will, in the event of a liquidation of the relevant Luxembourg Obligor following bankruptcy or judicial liquidation proceedings, rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the relevant Luxembourg Obligor that are entitled to priority under Luxembourg law. For example, preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue (*Administration des Contributions Directes*);
- value added tax and other taxes and duties owed to the Luxembourg Customs and Excise (*Administration de l'Enregistrement et des Domaines);*
- social security contributions; and
- remuneration owed to employees.

The above list is not exhaustive.

Furthermore, you should note that declarations of default and subsequent acceleration (such as acceleration upon the occurrence of an event of default) may not be enforceable during controlled management proceedings.

As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue *vis-à-vis* the bankruptcy estate.

Insolvency proceedings may hence have a material adverse effect on the relevant Luxembourg Obligor's business and assets and the relevant Luxembourg Obligor's obligations under the Loans and the Loan Security Documents.

Finally, international aspects of Luxembourg bankruptcy, controlled management or composition proceedings may be subject to the EU Insolvency Regulation.

Continuance of On-going Contracts

In principle, contracts of a bankrupt Luxembourg Obligor are not automatically terminated on commencement of bankruptcy proceedings. However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the bankruptcy receiver.

The bankruptcy receiver (*curateur*) may decide whether or not to continue performance of ongoing contracts (i.e., contracts existing before the bankruptcy order). The bankruptcy receiver may decide to continue the business of the relevant Luxembourg Obligor, **provided that** he obtains the authorisation of the Commercial Court and that such continuation does not cause any prejudice to the creditors. However, two exceptions apply:

- the parties to an agreement may contractually agree that the occurrence of a bankruptcy constitutes an early termination or acceleration event; and

- *intuitu personae* contracts (i.e., contracts where the identity or the solvency of the other party constitutes an essential element upon the signing of the contract) are generally automatically terminated as of the bankruptcy judgment.

In the event that the bankruptcy receiver decides to terminate a contract validly entered into by the relevant Luxembourg Obligor prior to the bankruptcy adjudication, the counterparty to such contract may file a claim for damages in the bankruptcy and such claim will rank *pari passu* with claims of all other unsecured creditors and/or initiate proceedings pertaining to a termination of the relevant contract. The counterparty may not require specific performance of the contract.

Hardening Periods and Fraudulent Transfer

Generally, payments made, as well as other transactions (listed in the pertinent section of the Luxembourg Commercial Code) concluded or performed, during the hardening period (*période suspecte*) which is fixed by the Commercial Court and dates back not more than six months as from the date on which the Commercial Court formally adjudicates a person bankrupt, and, as for specific payments and transactions, during an additional period of ten days before the commencement of such period, are subject to cancellation by the Commercial Court upon proceedings instituted by the Luxembourg bankruptcy receiver. In particular:

- article 445 of the Luxembourg Commercial Code sets out that specific transactions entered into during the hardening period or an additional period of ten days preceding the hardening period fixed by the Commercial Court are null and void, if so requested by the bankruptcy receiver (e.g., the disposals by the relevant Luxembourg Obligor of movable and immovable assets without consideration or with inadequate consideration; payments whether in cash or by way of assignment, sale, set-off or by any other means for non-matured debts; payments that have not been in cash or by way of negotiable and non-negotiable papers for matured debts and the granting of security interests for antecedent debts (save for financial collateral arrangements within the meaning of the Luxembourg Collateral Act 2005));

- article 446 of the Luxembourg Commercial Code provides that the bankruptcy receiver may challenge and initiate nullity actions in the following events: (i) payments made for matured debts for considerations and (ii) other transactions realized during the hardening period, if the contracting party has knowledge of the cessation of payments;

- article 447 of the Luxembourg Commercial Code provides that the bankruptcy receiver may challenge and initiate nullity actions against mortgages and privileges that have been granted either ten days prior to or after the date of the cessation of payments if more than 15 days have elapsed between the granting of the mortgage or privilege and its registration; and

- regardless of the hardening period, article 448 of the Luxembourg Commercial Code and article 1167 of the Luxembourg Civil Code (*actio pauliana*) give the court appointed bankruptcy receiver (acting on behalf of the creditors) the right to challenge any fraudulent payments and transactions made prior to the bankruptcy, without limitation of time.

Pursuant to article 21(2) of the Luxembourg Collateral Act 2005, notwithstanding the hardening period as referred to in articles 445 and 446 of the Luxembourg Code of Commerce, where a financial collateral arrangement has been entered into after the opening of liquidation proceedings or the coming into force of reorganization measures or the entry into force of such measures, such an arrangement is valid and binding against third parties, administrators, insolvency receivers, liquidators and other similar organs, if the collateral taker proves that it was unaware of the fact that such proceedings had been opened or that such measures had been taken or that it could not be aware of it.

Limitation on Enforcement of Security Interests

According to Luxembourg conflict of laws rules, the Luxembourg courts will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the pledge or security interest is situated) in relation to the creation, perfection and enforcement of security interests over such assets.

As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of security interests over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg bank, receivables/claims governed by Luxembourg law and/or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc. The foregoing is without prejudice to additional requirements under foreign laws which may be relevant, e.g. where the debtor of the pledged receivables/claims is not located in Luxembourg.

If there are assets located or deemed to be located in Luxembourg, the security interests over such assets will be governed by Luxembourg law and must be created, perfected and enforced in accordance with Luxembourg law. The Luxembourg Collateral Act 2005 governs the creation, validity, perfection and enforcement of pledges over shares, bank accounts and receivables located or deemed to be located in Luxembourg. Under the Luxembourg Collateral Act 2005, the perfection of security interests depends on certain registration, notification and acceptance requirements. A share pledge agreement must be (i) acknowledged and accepted by the company which has issued the shares (subject to the security interest) and (ii) registered in the shareholders' register of such company. If future shares are pledged, the perfection of such pledge will require additional registration in the shareholders' register of such company. A pledge over receivables becomes enforceable against the debtor of the receivables and third parties from the moment when the agreement pursuant to which the pledge was created is entered into between the pledgor and the pledgee. However, if the debtor has not been notified of the pledge or if he did not otherwise acquire knowledge of the pledge, he will be validly discharged if he pays the pledgor. A bank account pledge agreement must be notified to and accepted by the account bank. In addition, the account bank has to waive any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, the perfection of such pledge will require additional notification to, acceptance and waiver by the account bank. Until such registrations, notifications and acceptances occur, the pledge agreements are not effective and perfected against the debtors, the account banks and other third parties.

Article 11 of the Luxembourg Collateral Act 2005 sets out enforcement remedies available upon the occurrence of an enforcement event, including, but not limited to:

- appropriation by the pledgee or appropriation by a third party of the pledged assets at (i) a value determined in accordance with a valuation method agreed upon by the parties or (ii) (if listed) the listing price of the pledged assets;

- sell or cause the sale of the pledged assets (i) in a private transaction at commercially reasonable terms (*conditions commerciales normales*), (ii) by a public sale at the stock exchange (if listed shares), or (iii) by way of a public auction;

- court allocation of the pledged assets to the pledgee in discharge of the secured obligations following a valuation made by a court appointed expert; or

- set-off between the secured obligations and the pledged assets.

As the Luxembourg Collateral Act 2005 does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses, and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the security interests might be substantially delayed.

The Luxembourg Collateral Act 2005 expressly provides that financial collateral arrangements (including pledges) including enforcement measures are valid and enforceable, even if entered into during the hardening period, against third parties including supervisory, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting any one of the parties.

Foreign law governed security interests and the powers of any receivers/administrators may not be enforceable in respect of assets located or deemed to be located in Luxembourg. Security interests/ arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers/administrators might not be recognized or enforced by the Luxembourg courts, even over assets located outside of Luxembourg, in particular where the relevant Luxembourg Obligor becomes subject to Luxembourg Insolvency Proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "*main insolvency proceedings*" (as defined in the EU Insolvency Regulation) are opened under Luxembourg law and such security interests/arrangements constitute rights in rem over assets located in another Member State in which the EU Insolvency Regulation applies, and in accordance with article 5 of the EU Insolvency Regulation.

The perfection of the security interests created pursuant to the Loan Security Documents does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the Loan Transaction Security, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the Loan Transaction Security will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

Under Luxembourg law, certain creditors of an insolvent party have rights to preferred payments arising by operation of law, some of which may, under certain circumstances, supersede the rights to payment of secured or unsecured creditors, and most of which are undisclosed preferences (*privilèges occultes*). This includes, in particular, the rights relating to fees and costs of the insolvency official as well as any legal costs, the rights of employees to certain amounts of salary, and the rights of the Treasury and certain assimilated parties (namely social security bodies), which preferences may extend to all or part of the assets of the insolvent party. This general privilege takes in principle precedence over the privilege of a pledgee in respect of pledged assets. Finally, the appointment of a foreign security agent will be recognized under Luxembourg law, (i) to the extent that the designation is valid under the law governing such appointment and (ii) subject to possible restrictions. Generally, according to paragraph 2(4) of the Luxembourg Collateral Act 2005, a security (financial collateral) may be provided in favour of a person acting on behalf of the collateral taker, a fiduciary or a trustee in order to secure the claims of third party beneficiaries, whether present or future, **provided that** these third party beneficiaries are determined or may be determined. Without prejudice to their obligations *vis-à-vis* third party beneficiaries of the security, persons acting on behalf of beneficiaries of the security, the fiduciary or the trustee benefit from the same rights as any direct beneficiary of the security provided that such security constitutes a financial collateral arrangement for purposes of the Luxembourg Collateral Act 2005.

Limitation on Luxembourg Obligors' Guarantees and Security

The Companies Act 1915 does not provide for rules governing the ability of a Luxembourg company to guarantee the indebtedness of another entity of the same group. It is generally held that within a group of companies, the corporate interest of each individual corporate entity should, to a certain extent, be tempered by, and subordinated to, the interest of the group. A reciprocal assistance from one group company to another does not necessarily conflict with the interest of the assisting company. However, this assistance must be temporary, in proportion with the real financial means of the assisting company or have a reciprocal character. A company may give a guarantee provided the giving of the guarantee is covered by the company's corporate objects and is in the best interest of the company. The test regarding the guarantor's corporate interest is whether the company that provides the guarantee receives some consideration in return (such as an economic or commercial benefit) and whether the benefit is proportional to the burden of the assistance. A guarantee that substantially exceeds the guarantor company's ability to meet its obligations to the beneficiary of the guarantee and to its other creditors would expose its directors or managers to personal liability. Furthermore, under certain circumstances,

the directors of the Luxembourg company might incur criminal penalties based on the concept of abuse of corporate assets (article 171-1 of the Companies Act 1915).

A guarantee granted by a Luxembourg company could, if submitted to a Luxembourg court, depending on the terms of such guarantee, possibly be construed by such court as a suretyship (*cautionnement*) and not a demand guarantee or an independent guarantee. Article 2012 of the Luxembourg Civil Code provides that the validity and the enforceability of a suretyship (which constitutes an accessory obligation) is subject to the validity of the underlying obligation. It follows that if the underlying obligations were invalid or challenged, it cannot be excluded that the Luxembourg Obligor would be released from its liabilities under the guarantee.

Financial Assistance

Under current Luxembourg law, financial assistance provisions do not apply in respect of Luxembourg entities having the form of a private limited liability company (*société à responsabilité limitée*).

Registration in Luxembourg

The registration of the Notes (and any other document in connection therewith) with the *Administration de l'Enregistrement et des Domaines* in Luxembourg may be required in the case of legal proceedings before Luxembourg courts or in the case that the Notes (and any other document in connection therewith) must be produced before an official Luxembourg authority (*autorité constituée*). In such case, either a nominal registration duty or an ad valorem duty (or, for instance, 0.24 per cent. of the amount of the payment obligation mentioned in the document so registered) will be payable depending on the nature of the document to be registered. No *ad valorem* duty is, in principle, payable in respect of Loan Security Documents that are subject to the Luxembourg Collateral Act 2005.

The Luxembourg courts or the official Luxembourg authority may require that the Notes (and any other document in connection therewith) and any judgment obtained in a foreign court be translated into French or German.

ITALY TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Republic of Italy

Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 ("**Decree 66**"), introduced tax provisions amending certain aspects of the current tax treatment of the Notes, as summarised below. The new rules, converted into law with amendments by law N. 83 of 23 June 2014 are effective as of 1 July 2014. With reference to the imposta sostitutiva set out by Decree 239 (as defined below) the increased rate will apply on interest accrued as of 1 July 2014.

Tax Treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debenture similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian companies incorporated pursuant to law No. 130 of 30 April 1999.

Italian Resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under subsection entitled "*—Capital Gains Tax*" below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; (d) an investor exempt from Italian corporate income taxation; or (e) an association among professionals, interest, premium and other income relating to the Notes, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to: (i) corporate income tax ("**IRES**") at 27.5 per cent.; or (ii) individual income tax ("**IRPEF**"), at progressive rates, plus local surcharges, if applicable; under certain circumstances, such interest is included in the taxable basis of the regional tax on productive activities ("**IRAP**"), at a general rate of 3.9 per cent. until tax year 2013 and at a general rate of 3.5 per cent. as of tax year 2014 (regions may vary the rate up to 0.9176 per cent.).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree 351**"), as clarified by the Italian Revenues Agency through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Italian Fund**"), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the fund. They must, however, be included in the management results of the fund accrued at the end of each tax

period. The fund will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the fund derived by unithholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax (increased to 11.5 per cent. for tax year 2014 pursuant to Decree 66).

Please note that, according to the still to be approved budgetary law for 2015, the tax rate applicable to Italian resident pension funds could be increased.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Italian Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian Resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies **provided that** the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy (the so-called white-listed countries); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or, in any case, at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Italian Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set out by Ministerial Decree of 12 December 2001, as subsequently amended.

Capital Gains Tax

Any capital gain accrued upon the sale or redemption of the Notes would be treated for the purpose of corporate income tax and individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the Noteholders, may also be included in taxable basis of IRAP), and is therefore subject to tax in the Republic of Italy according to the relevant tax provisions, if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to

which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent. Noteholders may set off losses with gains.

In respect of the application of *imposta sostitutiva*, Noteholders which are individuals may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains accrued by Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax (and, as of 1 July 2014, pursuant to Decree 66, to a 26 per cent. substitutive tax), to be paid by the managing authorised intermediary. Under the risparmio gestito regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the risparmio gestito regime, the Noteholder is not required to declare the capital gains realised in the annual tax return. Pursuant to Decree 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant decreases in value registered before 1 January 2012; (ii) 76.92 per cent. of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351 as subsequently amended apply will be subject neither to imposta sostitutiva nor to any other income tax at the level of the real estate investment fund.

Any capital gains realised by a Noteholder which is an Italian Fund will not be subject to *imposta sostitutiva,* but will be included in the result of the relevant portfolio accrued at the end of the tax period. The fund will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the fund derived by unithholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax (increased to 11.50 per cent. for tax year 2014, pursuant to Decree 66).

Please note that, according to the still to be approved budgetary law for 2015, the tax rate applicable to Italian resident pension funds will presumably be increased.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax. In certain cases they can be subject to timely filing of required documentation (in the form of an *affidavit* of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, **provided that** the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy (please note that if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *risparmio gestito* regime or are subject to the *risparmio amministrato* regime, exemption from Italian capital gains tax will apply upon the condition that they file in time with the authorised financial intermediary an appropriate *affidavit* stating that they meet the requirement indicated above); or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of the Notes.

Inheritance and Gift Taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000 for each beneficiary;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000 for each beneficiary; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

Transfer Tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a fixed rate of €200; (ii) private deeds are subject to registration tax at a fixed rate of €200 only in the case of use or voluntary registration.

Stamp Duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited therewith. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed €14,000, for taxpayers different from individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on Securities Deposited Abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Implementation in Italy of the Directive

Italy has implemented the EC Council Directive 2003/48/EC on the taxation of savings income through Legislative Decree No. 84 of 18 April 2005 ("**Decree 84**"). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian-qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Tax Monitoring Obligations

Following the recent amendments (Law No. 97 of 6 August 2013 and Law No. 50 of 28 March 2014) of law No. 227 of 4 August 1990, Italian resident individuals, non-profit entities and certain partnerships who either hold investments or have financial activities abroad, must report the aforesaid and the related transactions in their income tax return. Please note that this requirement applies also when the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

UNITED KINGDOM TAXATION

The following, which applies only to persons who are the beneficial owners of the Notes, is a summary of the Issuer's understanding of current United Kingdom tax law and published HM Revenue & Customs ("**HMRC**") practice as at the date of this Offering Circular relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of the Notes and certain limited stamp duty considerations. It is not a comprehensive analysis of the tax consequences arising in respect of Notes and so should be treated with appropriate caution. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Some aspects may not apply to certain Classes of taxpayer. Prospective Noteholders who are in any doubt about their tax position or who may be subject to a tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payments of Interest on the Notes

Withholding Tax

Payments of interest on the Notes may be subject to withholding on account of United Kingdom income tax at the basic rate (currently 20 per cent.) if interest on the Notes is treated as arising in the United Kingdom or having a United Kingdom source. However, payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax if, and for so long as, the Notes constitute *"quoted Eurobonds"* within the meaning of section 987 of the Income Tax Act 2007. The Notes will constitute quoted Eurobonds provided they carry a right to interest and are and continue to be listed on a *"recognised stock exchange"* within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in states in the European Economic Area and are admitted to trading on the Irish Stock Exchange. Whilst the Notes are and continue to be quoted Eurobonds (and in particular so long as the Notes continue to be listed as mentioned above), payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom income tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; **provided that** HM Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In all other cases an amount must be withheld on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provided for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Other Rules relating to United Kingdom Withholding Tax

The references to "**interest**" and "**principal**" in this summary of the United Kingdom withholding tax position mean "**interest**" and "**principal**" as understood in United Kingdom tax law. The statements in this summary do not take any account of any different definitions of "**interest**" or "**principal**" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

Provision of Information

HMRC has powers to obtain information and documents relating to the Notes, including in relation to issues of and other transactions in the Notes, interest, payments treated as interest and other payments derived from the Notes. This may include details of the beneficial owners of the Notes, of the persons for whom the Notes are held and of the persons to whom payments derived from the Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Notes, persons who make, receive or are entitled to receive payments derived from the Notes and persons by or through whom

interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, member states must provide to the tax authorities of another member state details of payments of interest (or similar income) by a person within the jurisdiction of the first member state paid (or deemed to be paid) to an individual (or certain other types of person) resident in that other member state. However, for a transitional period, Austria and Luxembourg are instead (unless they elect otherwise during that period, which Luxembourg has with effect from 1 January 2015) required to operate a withholding system in relation to such payments, the rate of withholding rising over time to 35 per cent. The ending of such transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. However, during the transitional period, withholding will not apply under the directive to a payment if the beneficial owner of that payment authorises exchange of information instead.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

United Kingdom Stamp Duty

No United Kingdom stamp duty should be required to be paid on transfers of the Notes on sale provided no instrument of transfer is used to complete such sales. Prospective Noteholders, in particular holders of the Class X Detachable Coupon, should note that an instrument transferring the Notes on sale may be subject to stamp duty at a rate of 0.5 per cent. of the consideration paid for the Notes if the Notes are not Exempt Loan Capital (as defined below).

"**Exempt Loan Capital**" means any security which constitutes loan capital (within the meaning of section 78 Finance Act 1986) and: (a) does not carry rights to acquire shares or securities (by way of exchange, conversion or otherwise) that are not Exempt Loan Capital; (b) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security; (c) subject to certain exemptions, has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and (d) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

Even if an instrument is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty, as United Kingdom stamp duty is not an assessable tax. However, an instrument which is not duly stamped cannot be used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "*United States account*" of the Issuer (a "**Recalcitrant Holder**"). The Issuer may be classified as an FFI.

FATCA applies currently only to payments from sources within the United States and will apply to "**foreign passthru payments**" no earlier than 1 January 2017. Payments with respect to the Notes should not be U.S. source payments. Withholding with respect to foreign passthru payments would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the U.S. Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price. As of this date, no U.S. Treasury regulations defining the term foreign passthru payment have been filed with the U.S. Federal Register.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" IGA released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. A Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Italy have entered into an intergovernmental agreement (the "**US-Italy IGA**") based on the Model 1 IGA.

The Issuer expects that its payments with respect to the Notes will not be U.S. source. The Issuer further expects that it will be classified as an FFI and expects to be treated as a Reporting FI pursuant to the US-Italy IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to impose FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer and any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA Withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA Withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the Model 1 IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

The Lead Manager has, pursuant to the subscription agreement dated on or about the Closing Date between the Issuer, the Originator, the Sole Arranger and the Lead Manager (the "**Subscription Agreement**"), agreed to subscribe and pay the Issuer for the Notes at their Issue Price of 100 per cent. of the Principal Amount Outstanding of the Notes upon issue. The Lead Manager shall receive the Class X Detachable Coupons as consideration for its services under the Subscription Agreement.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances prior to payment for the Notes to the Issuer. The Issuer has agreed to indemnify the Lead Manager against certain liabilities in connection with the issue of the Notes.

General Selling Restrictions

Each of the Issuer and the Lead Manager have, pursuant to the Subscription Agreement, undertaken to the others that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes the Offering Circular or any related offering material, in all cases at its own expense.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Lead Manager has agreed that it will not offer, sell or deliver the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In connection with sales outside the United States, the Lead Manager has agreed under the Subscription Agreement that it will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons as part of the Lead Manager's distribution at any time and, accordingly, that neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes and it and its affiliates and any person acting on its or their behalf has complied with and will comply with the offering restriction requirements of Regulation S under the Securities Act to the extent applicable.

The Lead Manager under the Subscription Agreement has also agreed that, at or prior to confirmation of sales of any Notes, it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration to which it sells any Notes a confirmation or other notice setting forth the restrictions on offers and sales of such 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 under the Securities Act.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Issuer and the Lead Manager have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Lead Manager nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes will require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of these provisions, the expression of an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom

The Lead Manager has further represented and agreed that except as permitted by the Subscription Agreement:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial and Services and Markets Act 2000 (FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

The offering of the Notes has not been registered with the Italian securities and exchange commission ("**CONSOB**") (*Commissione Nazionale per le Società e la Borsa*) pursuant to Italian securities legislation and, accordingly, the Lead Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute, any Notes or any copy of this Offering Circular or any other offer document in the Republic of Italy in an offer to the public of financial products under the meaning of article 1, paragraph 1, letter t) of the Financial Act, unless an exemption applies. Accordingly, the Notes shall only be offered, sold or delivered and copies of this Offering Circular or any other offering material relating to the Notes may only be distributed in Italy:

(a) to "qualified investors" (*investitori qualificati*), pursuant to article 100 of the Financial Act and article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**CONSOB Regulation**"); or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Financial Act and article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any such offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Act, the Banking Act and CONSOB Regulation 16190 of 29 October 2007, all as amended;

(b) in compliance with article 129 of the Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy;

and

(c) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

General

Other than the approval by the Central Bank of Ireland of this Offering Circular as a prospectus in accordance with the requirements of the Prospectus Directive and implementing measures in Ireland, application having been made for the Notes to be admitted to the Main Securities Market of the Irish Stock Exchange and to trading on its regulated market and the filing of this Offering Circular as a prospectus with the Companies Registration Office in Ireland, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Offering Circular does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Lead Manager has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

Persons into whose hands this Offering Circular comes are required by the Issuer and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

Interests of Natural and Legal Persons involved in the Issue/Offer

The Lead Manager and its affiliates (including parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer, each Borrower and their respective shareholders and affiliates in the ordinary course of business for which they have received and will receive compensation.

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Meeting of the Quotaholder of the Issuer passed on 5 February 2015.

2. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its regulated market. The Offering Circular has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

3. The Issuer is not involved in any legal, arbitration or governmental proceedings which may have, since incorporation, a significant effect on its financial position or profitability nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

4. Since the date of incorporation or establishment, the issuer has not commenced operations and no financial statements have been made up as at the date of the Offering Circular.

5. Save as disclosed in this Offering Circular, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

6. The Issuer will produce proper accounts (*ordinaria contabilità*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer, where such documents will be physically available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

7. The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

	ISIN Code	Common Code
Class A	IT0005085615	119066689
Class X Detachable Coupon	IT0005085706	N/A
Class B	IT0005085664	119066735
Class C	IT0005085672	119066751
Class D	IT0005085680	119066786

8. As long as the Notes are listed on the Irish Stock Exchange, copies of the following documents are physically available, may be inspected and obtained free of charge during usual business hours at the specified offices of the Paying Agent and of the Representative of the Noteholders, and are available at any time after the date of this Offering Circular on the website of the Paying Agent at www.usbank.com/abs:

   (a) the *statuto* and *atto costitutivo* of the Issuer;

   (b) the following agreements:

      (i) Loan Portfolio Sale Agreement;

      (ii) Master Servicing Agreement;

      (iii) Delegate Servicing Agreement;

      (iv) Intercreditor Agreement;

      (v) Cash Allocation, Management and Payments Agreement;

      (vi) Pledge Agreement;

(vii) Liquidity Facility Agreement;

(viii) English Security Agreement;

(ix) Quotaholder Agreement;

(x) Corporate Services Agreement;

(xi) Monte Titoli mandate agreement;

(xii) Subscription Agreement;

(xiii) the Valuation for the Globe Properties;

(xiv) the Valuations for the Calvino Properties;

(xv) the Calvino Updated Valuation, which will be physically deposited at the Issuer's registered office once available;

(xvi) the Valuations for the Fashion District Properties; and

(xvii) Master Definitions and Construction Schedule;

(c) the *statuto* and *atto costitutivo* of the Globe Borrowers;

(d) the regulation of the Fashion District Fund and of the Calvino Fund; and

(e) the documents ("**fund regulations**") which provide for the main information and set forth the main features of the Fashion District Fund and of the Calvino Fund, respectively.

On request, each Loan Agreement is available on the website of the Paying Agent at www.usbank.com/abs.

9. So long as any of the Notes remains outstanding, copies of the Calculation Agent Quarterly Reports will be made available for collection at the registered offices of the Issuer, the Representative of the Noteholders and the Paying Agent, respectively, on each Calculation Date and on each date on which it is produced. The first Calculation Agent Quarterly Report will be available at the registered office of the Issuer, the Representative of the Noteholders and the Paying Agent on or about the Note Payment Date falling in May 2015. The Calculation Agent Quarterly Reports will be produced quarterly and will contain details of amounts payable on the Note Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Note.

10. The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately €135,000 (excluding servicing fees, the liquidity facility commitment fee and any VAT, if applicable).

11. The estimated total expenses payable by the Issuer in connection with the admission of the Notes to trading on the regulated market of the Irish Stock Exchange amount to approximately €5,940 (excluding application of VAT, if any).

12. The language of the Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

13. Walkers Listing & Support Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the regulated market of the Irish Stock Exchange.

APPENDIX 1
INDEX OF DEFINED TERMS

ISSUER
TAURUS 2015-1 IT
Via Gustavo Fara, 26
20124 Milan, Italy

Sole Arranger, Sole Bookrunner, Lead Manager,
Bank of America Merrill Lynch
2 King Edward Street
London EC1A 1HQ
United Kingdom

Originator and **Liquidity Facility Provider**
Bank of America N.A., Milan Branch
Via Manzoni 5
20121 Milan, Italy

Paying Agent and **Issuer Account Bank**
Elavon Financial Services Limited
125 Old Broad Street
London EC2N 1AR

Master Servicer, Representative of the Noteholders, Calculation Agent, Corporate Servicer
Zenith Service S.p.A.
Via Gustavo Fara, 26
20124 Milan, Italy

Delegate Primary Servicer and **Delegate Special Servicer**
Mount Street Mortgage Servicing Limited
3rd Floor, New City Court
20 St. Thomas Street
London SE1 9RS
United Kingdom

Listing Agent
Walkers Listing & Support Services Limited
The Anchorage
17/19 Sir John Rogerson's Quay
Dublin 2, Ireland

Quotaholder
Stichting SFM Italy No. 1
De Boelalaan 7 – 1083 HJ
Amsterdam, The Netherlands

LEGAL ADVISERS
To the **Sole Arranger**, **Lead Manager**, **Liquidity Facility Provider** as to **Italian** and **English Law**

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10 Bishops Square
London E1 6EG
United Kingdom

Paul Hastings (Europe) LLP
Via Rovello, 1
20121 Milan
Italy

To the **Paying Agent** and **Issuer Account Bank**

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6 - 8, Tokenhouse Yard
London EC2R 7AS
United Kingdom

To the **Delegate Primary Servicer** and **Delegate Special Servicer**

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One New Change
London EC4M 9AF
United Kingdom