The date of this Prospectus is 18 April 2012

Vesteda Residential Funding II B.V. *(incorporated with limited liability in the Netherlands)*

EURO 625,000,000 Class A8 Secured Floating Rate Notes 2012 due 2017, issue price 100 per cent.

Application has been made to list the euro 625,000,000 Class A8 Secured Floating Rate Notes 2012 due 2017 (the '**Class A8 Notes**') of Vesteda Residential Funding II B.V. (the '**Issuer**') on NYSE Euronext, Amsterdam ('**NYSE Euronext**'). The Notes are expected to be issued on 20 April 2012 (the '**Closing Date**').

On 20 July 2005 (the '**Initial Closing Date**') the Issuer issued the €200,000,000 Class A1 Secured Floating Rate Notes 2005 due 2017 (the '**Class A1 Notes**'), the €400,000,000 Class A2 Secured Floating Rate Notes 2005 due 2017 (the '**Class A2 Notes**'), the €400,000,000 Class A3 Secured Floating Rate Notes 2005 due 2017 (the '**Class A3 Notes**'), and the €300,000,000 Class A4 Secured Floating Rate Notes 2005 due 2017 (the '**Class A4 Notes**'). On 20 April 2007 (the '**2007 Closing Date**') the Issuer issued the €350,000,000 Class A5 Secured Floating Rate Notes 2007 due 2017 (the '**Class A5 Notes**'). On 21 July 2008 (the '**2008 Closing Date**') the Issuer issued the €150,000,000 Class A6 Secured Floating Rate Notes 2008 due 2017 (the '**Class A6 Notes**'). On 20 April 2010 (the '2010 Closing Date' the Issuer issued the €350,000,000 Class A7 Secured Floating Rate Notes 2010 due 2017 (the '**Class A7 Notes**', and together with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes and the Class A6 Notes, the '**Initial Notes**', and the Class A4 Notes, the Class A6 Notes, the Class A7 Notes together with the Class A8 Notes are herein referred to as the '**Notes**'). The Class A1 Notes were redeemed on the 2008 Closing Date. The Class A2 Notes were deemed on the 2010 Closing Date. Each of the Class A3 Notes and the Class A5 Notes are expected to be redeemed on the Closing Date and redemption of each of the Class A3 Notes and the Class A5 Notes is a condition precedent for the issuance of the Class A8 Notes.

The Class A8 Notes will be initially represented by a temporary global note in bearer form (a '**Class A8 Temporary Global Note**'), without coupons, which is expected to be delivered to a common safekeeper (the '**Common Safekeeper**') for Euroclear Bank S.A./N.V., as operator of the Euroclear System ('**Euroclear**') and/or Clearstream Banking, société anonyme ('**Clearstream Luxembourg**'), on or around the issue date thereof. Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note in bearer form (the '**Class A8 Permanent Global Note**'), without coupons (the expression '**Class A8 Global Notes**' means the Class A8 Temporary Global Note and the Class A8 Permanent Global Note and the expression '**Class A8 Global Note**' means the Class A8 Temporary Global Note or the Class A8 Permanent Global Note, as the context may require) not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interests in each Class A8 Permanent Global Note will, in certain limited circumstances, be exchangeable for Class A8 Definitive Notes (as defined herein) in bearer form as described in the terms and conditions of the Notes (the '**Conditions**') set out in the section *Terms and Conditions of the Notes* below. The Class A8 Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the '**Securities Act**') and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ('**Regulation S**'), in absence of registration under or an exemption from the registration requirements of the Securities Act.

Interest on the Class A8 Notes (the '**Interest Amount**') is payable by reference to successive interest periods (each an '**Interest Period**') and will be payable quarterly in arrear on each Interest Payment Date (as defined herein) in respect of the Principal Amount Outstanding (as defined in the Conditions). The first Interest Period will commence on (and include) the Closing Date and, subject to adjustment as specified herein for non-business days, end on (but exclude) 20 July 2012. Interest Amounts on the Class A8 Notes will be payable quarterly in arrear in euros on 20 January, 20 April, 20 July and 20 October in each year subject to adjustment for non-business days (each an '**Interest Payment Date**'). Interest on the Class A8 Notes will accrue on their Principal Amount Outstanding at an annual rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three month deposits in euro (determined in accordance with the Conditions) plus a margin which will be equal to 0.75 per cent. per annum up to (and including) the Interest Period ending in October 2013 and, thereafter, 1.75 per cent. per annum. See the section *Overview – the Class A8 Notes* and the Conditions.

The Class A8 Notes will mature on the Interest Payment Date falling in July 2017, unless previously redeemed.

As security for the Notes, the Issuer has on and around the Initial Closing Date, the 2007 Closing Date, the 2008 Closing Date and the 2010 Closing Date created security in favour of Stichting Security Trustee Vesteda Residential Funding II (the '**Security Trustee**') over all of its assets at that time in order to secure its obligations under the Notes and its other obligations. On the Closing Date, the Issuer will create further security in favour of the Security Trustee over all of its assets in order to secure its obligations under the Notes and its other obligations, to the extent not already secured as aforementioned.

The Class A8 Notes will be solely the obligations of the Issuer. The Class A8 Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Vesteda Companies, the participants in the Fund, or obligations or responsibilities of, or guaranteed by, the Security Trustee, the Borrowers, the ATC Entities, the Sole Arranger, the Joint Lead Managers, the Account Bank, the Liquidity Facility Provider, the Hedging Providers, the Paying Agent, the Reference Agent (each as defined herein) other than the Issuer. Furthermore, none of the Vesteda Companies, the participants in the Fund, the Security Trustee, the Borrowers, the ATC Entities, the Sole Arranger, the Joint Lead Managers, the Account Bank, the Liquidity Facility Provider, the Hedging Providers, the Reference Agent, the Paying Agent, or any other person, in whatever capacity acting, will accept any liability whatsoever to the Class A8 Noteholders (as defined herein) in respect of any failure by the Issuer to pay any amounts due under the Class A8 Notes. None of the Vesteda Companies, the participants in the Fund, the Security Trustee, the Borrowers, the ATC Entities, the Sole Arranger, the Joint Lead Managers, the Account Bank, the Liquidity Facility Provider, the Hedging Providers, the Reference Agent or the Paying Agent will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

It is a condition precedent to issuance that the Class A8 Notes, on issue, be assigned an 'Aaa(sf)' rating by Moody's Investors Service Limited ('**Moody's**'), an AAAsf rating by Fitch Ratings Limited ('**Fitch**') and an 'AAA(sf)' rating by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. acting through Standard & Poor's Credit Market Services Europe Limited ('**S&P**' and together with Fitch and Moody's, the '**Rating Agencies**'). **The ratings assigned to the Class A8 Notes by Fitch and S&P reflect timely payment of interest and ultimate payment of principal not later than the Final Maturity Date of the Class A8 Notes. The ratings assigned to the Class A8 Notes by Moody's do address the expected loss posed to investors at legal final maturity in relation to the initial principal balance of the Class A8 Notes. However, the ratings assigned to the Class A8 Notes by Fitch and S&P do not address timely payment or ultimate payment of the Step-Up Amounts (as defined herein) and by Moody's do not address the likelihood of and expected loss of payments of such Step-Up Amounts. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation and, amongst other things, will depend on the underlying characteristics and the on-going activities of the Vesteda Group (as defined herein).** Each security rating should be evaluated independently of any other rating. Each of Fitch Ratings Limited, Moody's Investors Services Limited and Standard & Poor's Credit Market Services Europe Limited is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the '**CRA Regulation**').

For a discussion of some of the risks associated with an investment in the Notes, see the section *Risk Factors* herein.

ABN AMRO

Joint Lead Managers

ABN AMRO **Rabobank**

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RISK FACTORS

The following is a summary of certain aspects of the issue of the Class A8 Notes of which prospective Class A8 Noteholders should be aware and which may affect the Issuer's ability to fulfill its obligations under the Class A8 Notes. It is not intended to be exhaustive, and prospective Class A8 Noteholders should read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

The Issuer and the Borrowers believe that the risks described below are the material risks inherent in the transaction for the Class A8 Noteholders, that the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Class A8 Notes may occur for other reasons and the Issuer and the Borrowers do not represent that the below statements regarding the risk of holding the Class A8 Notes are exhaustive. Although the Issuer and the Borrowers believe that the various structural elements described in this Prospectus lessen some of these risks for the Class A8 Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to the Class A8 Noteholders of interest, principal or any other amounts on or in connection with the Class A8 Notes on a timely basis or at all.

The Class A8 Notes will not be obligations of anyone other than the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. No person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Class A8 Notes.

A. ISSUES RELATING TO THE CLASS A8 NOTES

The Issuer's ability to meet its obligations under the Class A8 Notes

The Class A8 Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Vesteda Companies, the participants in the Fund, the Security Trustee, the Borrowers, the ATC Entities, the Sole Arranger, the Joint Lead Managers, the Liquidity Facility Provider, the Hedging Providers, the Account Bank, the Paying Agent or the Reference Agent (other than the Issuer itself). Furthermore, none of the Security Trustee, the Borrowers, the Corporate Administrator, the Liquidity Facility Provider, the Hedging Providers, the Account Bank, the Paying Agent, the Sole Arranger, the Joint Lead Managers, the Reference Agent, the ATC Entities, the participants in the Fund nor any of the Vesteda Companies or any other person acting in whatever capacity, will accept any liability whatsoever to the Class A8 Noteholders in respect of any failure by the Issuer to pay any amounts due under the Class A8 Notes (other than the Issuer itself).

The ability of the Issuer to meet its obligations under the Class A8 Notes in full will depend upon, *inter alia*:

(a) the receipt by it of funds from the Borrowers under the Secured Loan Agreement in respect of the payment of interest and principal on the Term Advances (as defined below) and of certain other sums thereunder;

(b) the receipt by it of interest on moneys on deposit in the Issuer Account and any other accounts that the Issuer may have or otherwise from euro denominated demand or time

deposits, certificates of deposits and other short-term unsecured debt obligations issued by an entity the unsecured, unguaranteed and otherwise unsupported short-term obligations of which are rated at least F1+ by Fitch Ratings Limited ('***Fitch***'), P-1 by Moody's Investors Service Limited ('***Moody's***') and A-1+ by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. ('***S&P***' and together with Fitch and Moody's, the '***Rating Agencies***') and a rating of unsecured, unsubordinated, unguaranteed and otherwise unsupported long-term obligations of such entity at least AA by Fitch (such investments, the '***Eligible Investments***', provided that in all cases such investments have a maturity date falling no later than the next following date on which a payment is required to be made with the moneys therein and that amounts due can be paid without reduction or withholding on account of tax) made by it. For the purposes of determining whether an investment issued by an entity qualifies as an Eligible Investment, if the long-term rating and/or the short-term rating by Fitch of the issuing entity of such investment is on Rating Watch Negative, such long-term rating and/or short-term rating, as applicable, will be treated one notch below the then current rating given by Fitch;

(c) the receipt by it of payments from the Liquidity Facility Provider under the Liquidity Facility Agreement; and

(d) the receipt by it of payments from the Hedging Providers under the Hedging Agreements.

Therefore, the Issuer is subject to all risks to which the Borrowers are subject, to the extent that such risks could limit the Borrowers' ability to satisfy in full and on a timely basis their obligations under the Secured Loan Agreement. See Section D *Business Risks* below for a further description of certain of these risks.

With particular regard to paragraph (d) above:

(i) the Class A4 Forward Swap will only be available to the Issuer to hedge amounts of floating rate interest, during the period up to (and including) the Class A4 Forward Swap Expiry Date. After that time, and additionally, if the Class A4 Forward Swap terminates for any reason and for so long as there is no replacement Original Hedging Provider, the Borrowers will remain obliged to pay interest amounts on the Term A4 Loan pursuant to the Secured Loan Agreement, and correspondingly, the Issuer on the Class A4 Notes, but at an unhedged rate;

(ii) the Class A6 Supplemental Forward Swap will only be available to the Issuer to hedge amounts of floating rate interest in respect of the Class A6 Notes during the period up to (and including) the Class A6 Supplemental Forward Swap Expiry Date. After that time, and additionally, if the Class A6 Supplemental Forward Swap terminates for any reason and for so long as there is no replacement Class A6 Hedging Provider, the Borrowers will remain obliged to pay interest amounts on the Term A6 Loan pursuant to the Secured Loan Agreement, and correspondingly, the Issuer on the Class A6 Notes, but at an unhedged rate; and

(iii) in respect of the Class A7 Notes, the Class A7 Supplemental Forward Swap will only be available to the Issuer to hedge amounts of floating rate interest in respect of the Class A7 Notes during the period up to (and including) the Class A7 Swap Expiry Date. After that time, and additionally, if the Class A7 Supplemental Forward Swap terminates for any reason and for so long as there is no replacement Class A7 Hedging Provider, the Borrowers will remain obliged to pay interest amounts on the Term A7 Loan pursuant to the Secured Loan Agreement, and correspondingly, the Issuer on the Class A7 Notes, but at an unhedged rate.

(iv) in respect of the Class A8 Notes, the Class A8 Supplemental Forward Swap will only be available to the Issuer to hedge amounts of floating rate interest in respect of the Class A8 Notes during the period from 20 July 2012 up to (and including) the Class A8 Swap Expiry Date. Prior to 20 July 2012, the Issuer has the benefit of the existing forward swaps entered into in connection with the Class A3 Notes and the Class A5 Notes. After the Class A8 Swap Expiry Date, and additionally, if the Class A8 Supplemental Forward Swap terminates for any reason and for so long as there is no replacement Class A8 Hedging Provider, the Borrowers will remain obliged to pay interest amounts on the Term A8 Loan pursuant to the Secured Loan Agreement, and correspondingly, the Issuer on the Class A8 Notes, but at an unhedged rate.

The above may result in the Borrowers not being able to fulfil their obligations to pay amounts due under the Secured Loan Agreement and in turn, affect the ability of the Issuer to fulfil its obligations under the Notes and lead to a downgrading of the then applicable ratings assigned to the Notes. A failure to find a suitable replacement Hedging Provider in accordance with the terms of the relevant Hedging Agreement will ultimately constitute a Borrower Event of Default under the Secured Loan Agreement unless the Rating Agencies confirm that no downgrading of the Notes will occur as a result of the Issuer not having entered into replacement interest rate swaps or caps or any other appropriate hedging arrangement. See below under the heading *Hedging Providers* in Section *B. Structural Risks* for a summary of risks relating to the Hedging Agreements.

Prior to the occurrence of an Issuer Event of Default if the Issuer is unable on any Interest Payment Date to pay in full items (a) to (d) (inclusive) of the Issuer Pre-enforcement Priority of Payments, the Issuer will have available to it, subject to the satisfaction of certain conditions precedent as to drawing, moneys available under the Liquidity Facility Agreement. The amount available for drawing under the Liquidity Facility Agreement to meet such items will be a maximum aggregate amount of €99,750,000 (subject to a *pro rata* reduction in connection with a redemption of the Notes). The Liquidity Facility may be applied by the Issuer for other purposes, including payment of costs and expenses in relation to the establishment of any security interests pursuant to the Security Agreement and, in certain circumstances, towards repayment of any third party loans that may impede the enforcement of the security by the Security Trustee on behalf of the Noteholders. The Liquidity Facility will not cover any Step-Up Amounts.

Other than the foregoing, the Issuer will not have any other funds available to it to meet its obligations in respect of the Notes or any other item ranking in priority or *pari passu* thereto.

Payments of the Interest Amount on the Notes will rank *pari passu* among themselves and before payments of principal in respect of the Notes, which will also rank *pari passu* among themselves – see the paragraph below entitled *Prepayment*.

The Liquidity Facility Provider will have the benefit of security provided by the Issuer pursuant to the Security Agreement. Amounts due to the Liquidity Facility Provider, other than any Liquidity Subordinated Amounts, will be paid in priority to the payment of interest and principal on the Notes in accordance with the Issuer Post-enforcement Priority of Payments.

Expected Maturity Date

The ability of the Issuer to pay in full all interest amounts and to repay in full all principal under the Class A8 Notes on the Expected Maturity Date will depend on the sufficiency and availability of amounts repaid by the Borrowers under the Secured Loan Agreement, which will in turn, depend on the performance of the Fund's business operations, its ability to secure refinancing, subject to and in accordance with the terms of the Secured Loan Agreement. The Secured Loan Agreement and the Conditions set out certain consequences which arise when a Non-Payment on the Expected Maturity Date Event occurs – see further the section *Summary of Principal Documents – Secured Loan Agreement* and Condition 6(b) of the Conditions below. No assurance can therefore be given as to whether and, if so, as to how long it will take for the Issuer to pay and repay, respectively, amounts of interest and principal in respect of the Class A8 Notes to the Class A8 Noteholders. However, there is a period of approximately two years between the Loan Maturity Date under the Secured Loan Agreement and the Final Maturity Date to enable the Borrowers to procure funds from other sources to fulfil their obligations under the Secured Loan Agreement and hence, the Issuer in respect of the Class A8 Notes.

Prepayment

The Secured Loan Agreement provides that the Borrowers may prepay, in whole or in part, (i) the Initial Term Loans (other than the Term A6 Loan and the Term A7 Loan) and the Term A8 Loan on any Interest Payment Date, (ii) the Term A6 Loan on any Interest Payment Date from and including the Interest Payment Date falling in July 2012 and (iii) the Term A7 Loan on any Interest Payment Date from and including the Interest Payment Date falling in July 2014. The prepayment of the Term Loans by the Borrowers should result in a redemption of the relevant Notes. No additional amounts will be payable to the Noteholders as a result of such early redemption. These funds may arise from, *inter alia*, rental proceeds and the disposals of Properties, subject to and in accordance with the terms of the Secured Loan Agreement. The amount of funds arising from such disposals are dependent on, *inter alia*, the factors referred to in Section *D. Business Risks* below.

Fund Unwind Event

The Secured Loan Agreement provides that if the participants in the Fund resolve to unwind the Fund pursuant to the Fund Terms and Conditions (a '***Fund Unwind Event***'), (one of) the Borrowers shall open an account into which all proceeds of disposals of Properties shall be paid. This account shall be pledged to the Security Trustee. Following the occurrence of a Fund Unwind Event the proceeds of disposals of Properties shall be applied by the Borrowers (i) to

enable the Fund to make payments in respect of capital expenditures of the Vesteda Group and (ii) to repay the Term Advances, and or the New Term Advances, as the case may be. The amount of funds arising from such a disposal are dependent on, *inter alia*, the factors referred to in the Section D *Business Risks*. The occurrence of a Fund Unwind Event should result in a repayment of the Class A8 Notes and no additional amounts will be payable to the Class A8 Noteholders if the Class A8 Notes are redeemed early as a result thereof.

Reliance on representations and warranties made by the Fund Entities

The Issuer will be lending the issue proceeds of the Class A8 Notes to the Borrowers in reliance on representations and warranties made by the Borrowers and the Fund Manager under the Secured Loan Agreement. None of the Joint Lead Managers, the Sole Arranger, the Security Trustee or the Issuer has made any independent investigation of any matters. If the Fund Manager or the relevant Borrower fails to remedy any breach of a material representation, warranty, covenant or undertaking, and this has a material adverse effect on the ability of any Borrower to meet its obligations under the Secured Loan Agreement, this will constitute a Borrower Event of Default and the Security Trustee will be entitled to take enforcement action.

Eligible Investments

Prior to the service of an Issuer Enforcement Notice and unless otherwise instructed by the Issuer or the Security Trustee, and subject to certain limitations as to the term and nature of the particular instruments, the Account Bank (on behalf of the Issuer) is entitled to invest amounts standing to the credit of the accounts of the Issuer in Eligible Investments. Such investments, however might, notwithstanding the ratings assigned to them, be irrecoverable due to bankruptcy or insolvency of the debtor under the investment or of a financial institution involved or due to the loss of an investment amount during its transfer.

Limited Resources

If the Security Documents are enforced and the proceeds of such enforcement are insufficient, after payment of all other claims ranking in priority to amounts due under the Class A8 Notes, to repay in full all principal and to pay in full all interest and other amounts due in respect of the Class A8 Notes, then, as the Issuer has no other assets, it may be unable to meet claims in respect of any, such unpaid amounts. Enforcement of the Security Documents by the Security Trustee is the only remedy available to the Class A8 Noteholders for the purpose of recovering amounts owed in respect of the Class A8 Notes.

The Borrowers' ability to meet their obligations under the Secured Loan Agreement

The Borrowers' ability to meet their obligations under the Secured Loan Agreement will depend primarily on receipt by them in their capacity as custodians of the Fund of rental income from the Properties, sale proceeds from disposals of Properties and/or their ability to obtain other refinancing. Changes in economic and political conditions may have an adverse effect on, *inter alia*, the rental income, sale proceeds from disposals and/or the ability of the Borrowers to obtain other refinancing. It should be noted that receipt by the Borrowers of rental income and sale proceeds from the Properties may not result in the aggregate principal amount advanced under the Secured Loan Agreement being repaid in full on or before the Loan Maturity Date. In turn,

therefore, the Issuer may not have available to it sufficient funds to redeem in full the aggregate principal amount of the Notes prior to their Final Maturity Date. However, as aforementioned, there is a period of approximately two years between the Loan Maturity Date under the Secured Loan Agreement and the Final Maturity Date to enable the Borrowers to procure funds from other sources to fulfil their obligations under the Secured Loan Agreement and hence, the Issuer in respect of the Class A8 Notes.

Priority of Liquidity Facility Provider

Pursuant to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider will provide a 364 day committed facility from which the Issuer may draw in circumstances where, *inter alia*, any of the items specified in (a) to (d) (inclusive) of the Issuer Pre-enforcement Priority of Payments cannot be paid in a timely fashion by the Issuer.

The Liquidity Facility Provider will have the benefit of the security provided by the Issuer pursuant to the Security Documents. Amounts due to the Liquidity Facility Provider, other than any Liquidity Subordinated Amounts, will be paid in priority to the payment of interest and principal on the Notes in accordance with the Issuer Post-enforcement Priority of Payments.

Ratings of the Notes

The ratings assigned to the Class A8 Notes by the Rating Agencies will be based on the value and cash flow generating ability of the Properties and other relevant structural features of the transaction, including, *inter alia*, the short-term unsecured and unsubordinated debt rating of the Liquidity Facility Provider, the Hedging Providers, and reflect only the views of the Rating Agencies.

On issue, the Class A8 Notes are expected to be rated AAAsf by Fitch, Aaa(sf) by Moody's and AAA(sf) by S&P. The ratings assigned to the Class A8 Notes by Fitch and S&P reflect timely payment of interest and ultimate payment of principal not later than the Final Maturity Date of the Class A8 Notes. The ratings assigned to the Class A8 Notes by Moody's address the expected loss posed to investors at legal final maturity in relation to the initial principal balance of the Class A8 Notes. **However, the ratings assigned to the Class A8 Notes by Fitch and S&P do not address timely payment or ultimate payment of the Step-Up Amounts and by Moody's do not address the likelihood of and expected loss of payments of such Step-Up Amounts.**

There is 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 the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies' judgement, circumstances so warrant. Rating agencies, other than the Rating Agencies, could seek to rate the Class A8 Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Class A8 Notes by the Rating Agencies, such unsolicited ratings could have an adverse effect on the value of the Class A8 Notes. For the avoidance of doubt and unless the Relevant Documents otherwise require, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the Rating Agencies only. Future events also, including events affecting the Liquidity Facility Provider, the Hedging Providers and/or circumstances relating to the

Properties and/or the property market generally affecting the Vesteda Companies, could have an adverse effect on the rating of the Class A8 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.**

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Each of Fitch Ratings Limited, Moody's Investors Services Limited and Standard & Poor's Credit Market Services Europe Limited is established in the EEA and registered under the CRA Regulation.

Step-Up Amounts

A failure by the Issuer to pay any Step-Up Amounts does not result in an Issuer Event of Default. However, once an Issuer Event of Default has occurred and an Issuer Enforcement Notice has been issued, Class A8 Noteholders can claim the Step-Up Amounts, provided that any payment of such amounts shall be subject to the Issuer Post-enforcement Priority of Payments.

Matters relating to the Security Trustee

The Security Agreement will contain provisions requiring the Security Trustee to have regard to the interests of the Noteholders. However, it will also have regard to the interest of the other Beneficiaries, provided that in the event of a conflict of interests between the Beneficiaries, the Issuer Priority of Payments (set out herein) shall determine whose interests will prevail.

The Secured Loan Agreement provides that for certain matters set out in the Secured Loan Agreement, the Borrowers require the consent of the Security Trustee. With respect to certain provisions of the Secured Loan Agreement, the Security Trustee has agreed to give its consent with respect to actions, steps or transactions proposed to be taken or entered into by the Borrowers if the Rating Agencies have confirmed to the Security Trustee in writing that the Notes will not be downgraded as a result of taking such steps or actions or entering into such transactions.

Other Obligations of the Issuer

Following a Non-Payment on the Expected Maturity Date Event, the Issuer shall redeem the Notes in order of priority such that the Notes with the shortest Expected Maturity Date are redeemed first.

Furthermore, in the circumstances described in, and subject to the conditions set out in, the Conditions, the Issuer will be entitled to raise additional finance through the issue of Further Notes or New Notes. Such Further Notes or New Notes will be secured over the same assets that secure the Notes. However, it will be a condition precedent to any issue of Further Notes or New Notes that, *inter alia*, the Rating Agencies confirm that such issue will not result in a downgrade of the rating of the Notes.

If any Further Notes or New Notes were to *rank pari passu* with the Notes, the Security Trustee will be required to have regard to the interests of both the holders of the existing Notes and the Further Notes or New Notes (as the case may be) as if they formed a single class when exercising its rights, powers, trusts, authorities, duties and discretions.

The provisions of the Secured Loan Agreement will permit the Borrowers and the Fund Manager to create (or agree to create) or permit to subsist security interests over its present or future revenue or assets or undertaking ranking no more than *pari passu* with any security interests created pursuant to the Relevant Documents up to an aggregate amount not exceeding €25,000,000 in respect of financial indebtedness permitted to be created as described in the Secured Loan Agreement (described in the paragraph below) provided that the Borrowers shall be entitled to create (or agree to create) or permit to subsist first ranking mortgages over Properties with an aggregate Book Value of up to €25,000,000 in respect of such financial indebtedness.

In addition, the provisions of the Secured Loan Agreement will permit the Borrowers and the Fund Manager to, *inter alia*, incur or create financial indebtedness by, *inter alia*, entering into third party loans pursuant to which it may raise additional funds. Such indebtedness may rank *pari passu* with advances made under the Secured Loan Agreement and share in the security therefor or may be secured by other security rights. However, the Borrowers and the Fund Manager will need to obtain the prior consent of the Security Trustee before, *inter alia*, creating any financial indebtedness in excess of €25,000,000. Such consent will be given if the Rating Agencies confirm that the Notes will not be downgraded as a result thereof.

Absence of Secondary Markets; Limited Liquidity

There can be no assurance that a secondary market in the Class A8 Notes will develop or, if it does develop, that it will provide the Class A8 Noteholders with liquidity of investment, or that it will continue for the life of the Class A8 Notes. However, application has been made to admit the Class A8 Notes to NYSE Euronext, Amsterdam. Listing of the Class A8 Notes on NYSE Euronext, Amsterdam is expected to take place on or around the Closing Date. There can be no assurance that listing of the Class A8 Notes will take place on or around the Closing Date or at all.

In addition, the market value of the Class A8 Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of the Class A8 Notes by the Class A8 Noteholders in the secondary market which may develop may be at a discount to the original purchase price of the Class A8 Notes.

Eligibility of Class A8 Notes as central bank collateral

An application may be made to the relevant central bank after issuance of the Class A8 Notes to record them as eligible collateral. The relevant central bank will ultimately assess and confirm whether the Class A8 Notes qualify as eligible collateral for liquidity and/or open market operations: (i) in accordance with its policies, the relevant central bank will not confirm the eligibility of the Class A8 Notes for such purposes prior to the issuance of the Class A8 Notes, (ii) if the Class A8 Notes are accepted for such purposes, the relevant central bank may amend or withdraw any such approval in relation to the Class A8 Notes at anytime, (iii) neither the Issuer, the Security Trustee, any Borrower, any Vesteda Company, any Joint Lead Manager, any participant in the Fund nor the Sole Arranger gives any representation or warranty as to whether such central bank will ultimately confirm the eligibility of the Class A8 Notes for such purpose, and (iv) neither the Issuer, the Security Trustee, any Borrower, any Vesteda Company, any Joint Lead Manager, any participant in the Fund nor the Sole Arranger will have any liability or obligation in relation thereto if the Class A8 Notes are at any time deemed ineligible for such purposes.

B. STRUCTURAL RISKS

Distributions by the Fund Entities

The Fund Entities may apply rental proceeds from the Properties and sale proceeds from disposals of Properties for the payment of distributions of any kind in certain circumstances set out in the Secured Loan Agreement, which shall include the payment of distributions of any kind envisaged by the Fund Terms and Conditions.

Such distributions shall be made to each of the participants in the Fund *pro rata parte* to their participations in the Fund in accordance with the Fund Terms and Conditions. See further the section *Income Tax Aspects of the Fund's Structure* in *Vesteda Group and the Fund – Corporate Profile and Business* below. There can be no assurance that the making of such payments will not adversely affect the ability of the Borrowers to meet all of their obligations under the Secured Loan Agreement, and hence, the Issuer under the Notes. However, upon the occurrence of a Non-Payment on the Expected Maturity Date Event, such distributions will not be permitted. Upon the occurrence of a Fund Unwind Event such distributions may not be made from the proceeds of any disposal of a Property. Upon or following the occurrence of a Failure to Refinance Event, a Failure to Pay Principal Event or a Failure to Pay Interest Event (in each case which is continuing) or a Borrower Event of Default (in each case whichever is earlier), no distributions will be permitted. For the avoidance of doubt, such limitation on distributions does however not apply to Permitted Participation Redemptions and any distributions made by or originating from DRF IV.

Tax Status of the Fund

Introduction

The Fund is a fund for joint account (*fonds voor gemene rekening*) under Dutch law. The Fund consists of the assets and liabilities of the Fund held and managed in accordance with the

Fund Terms and Conditions. The Fund Terms and Conditions governs the rights and obligations between the Fund Manager, the custodian and a participant.

Taxation of the Fund

The Fund qualifies as a tax transparent fund for joint account for Dutch (corporate) income tax purposes and Dutch dividend withholding tax purposes, provided all relevant parties act in accordance with the Fund Terms and Conditions. The participation rights of participants in the Fund (the '***Participation Rights***') - including the beneficial ownership thereof - cannot be transferred or assigned by the participants, except by way of redemption. Only the Fund Manager issues and redeems Participation Rights.

The Dutch tax authorities have confirmed the tax transparency of the Fund for Dutch (corporate) income tax purposes and Dutch dividend withholding tax purposes. The consequences of the tax transparency of the Fund are as follows. For Dutch corporate income tax purposes, all income and gains, assets and liabilities are directly attributed to the participants on a pro rata basis. Investors are subject to Dutch corporate income tax for their pro rata share in income derived by, and capital gains realised on the Fund's assets and liabilities. For Dutch dividend withholding tax purposes, no Dutch dividend withholding tax is due on distributions made by the Fund to the participants.

If the Fund should lose its tax transparency, this would make the Fund an entity liable to Dutch corporate income tax. The Dutch corporate income tax rate for 2012 is 20% for the first €200,000 of taxable income and 25% for taxable income exceeding €200,000. In addition, this would make the Fund liable to dividend withholding tax on distributions. The statutory Dutch dividend withholding tax rate is 15%. The Fund would, for example, lose its tax transparency if certain amendments were made to the Fund Terms and Conditions in relation to the redemption of Participation Rights. This may result in an extra risk for the Borrowers which may affect their ability to repay the Term Advances, and hence the Issuer's ability to repay the Notes.

Taxation of the Borrowers

With effect of 27 January 2012, the Borrowers are not considered taxpayers for Dutch corporate income tax purposes. This has been confirmed by Dutch tax authorities in a private letter ruling. Consequently, following the conversion of the Borrowers into foundations (*stichtingen*), they cannot form part of a corporate income tax fiscal unity.

Should the Dutch tax authorities in the future consider the Borrowers as taxpayers for Dutch corporate income tax purposes, this may affect their ability to repay the Term Advances, and hence the Issuer's ability to repay the Notes.

Prior to 27 January 2012, the Borrowers formed part of the corporate income tax fiscal unity with the FII status (*fiscale beleggingsinstelling*), subject to a corporate income tax rate of 0%, provided that certain strict conditions are met. If the fiscal unity should, for example, lose its FII status because it did not properly distribute the taxable profit over 2011 and/or 2012 (*January*) – which is one of the conditions to qualify for the FII regime - this would result in a corporate income tax liability for the fiscal unity.

Since all members of a corporate income tax fiscal unity are jointly and severally liable for any corporate income tax due by the parent company of the fiscal unity, this would result in an additional cost for the Borrowers which may affect their liability to repay the Term Advances, and hence the Issuers ability to repay the Notes.

VAT

The Fund together with DRF I, DRF II, DRF III, DRF IV, the Fund Manager, Vesteda Project Development B.V. and two subsidiaries of Vesteda Project Development B.V. (Gordiaan Vastgoed B.V. and H.O.G. Heerlen Onroerend Goed B.V.) can be considered one VAT entrepreneur (VAT fiscal unity, the '***VAT Fiscal Unity***'). This has been confirmed by the Dutch tax authorities. The VAT Fiscal Unity will at least continue to exist until January 2016. After this date, the services provided by the Fund Manager to the Fund may become subject to value added tax as provided for in the Dutch Value Added Tax Act 1968 (*Wet op de omzetbelasting 1968*) and any other tax of a similar nature (the '***VAT***'), unless exemptions are applicable. This may result in an additional risk for the Borrowers which may affect their ability to repay the Term Advances, and hence the Issuer's ability to repay the Notes.

All members of a VAT fiscal unity are jointly and severally liable for Dutch VAT due by any member of the fiscal unity. In their capacity of custodians for the Fund, the Borrowers are (and were already at the Initial Closing Date) accountable for VAT liabilities of the VAT Fiscal Unity for which each of them can be held jointly and severally liable.

This risk is mitigated by certain representations given by the Fund Manager that as at the Closing Date no outstanding material VAT liability was due and payable and that neither Gordiaan Vastgoed B.V. nor H.O.G. Heerlen Onroerend Goed B.V. have any outstanding VAT liability and will as long as they are members of the VAT Fiscal Unity not have any VAT liabilities due to any relevant tax authority.

To further mitigate the risk that the Fund Manager, the Fund, DRF I, DRF II and DRF III are held liable by the Dutch tax authorities in respect of VAT liabilities incurred by DRF IV or Vesteda Project Development B.V., these entities have entered into an indemnification agreement pursuant to which DRF IV and Vesteda Project Development B.V. will indemnify the Fund, the Fund Manager, DRF I, DRF II and DRF III for all VAT liabilities (including interest, penalties and costs) relating to DRF IV and Vesteda Project Development B.V., respectively. The Fund Manager will indemnify the Borrowers for any residual liability that may arise as a consequence of the termination of the VAT Fiscal Unity. In addition, a blocked account structure has been implemented pursuant to which on a monthly basis DRF IV will deposit amounts so that following such deposit the amount standing to the credit of the blocked account is at least equal to the highest monthly amount of VAT payable in respect of DRF IV calculated over the next six month period. Furthermore, DRF IV has created in favour of the Fund Manager for the benefit of the Fund, the Fund Manager, DRF I, DRF II and DRF III a disclosed first right of pledge over any and all rights, interest and title in and to the blocked account to secure the obligations of DRF IV and Vesteda Project Development B.V. under the indemnification agreement. See the section *Vesteda Group and the Fund – Corporate Profile and Business* for a description of the group structure of the Fund.

In certain circumstances, the Issuer and the Noteholders may be subject to US withholding tax under FATCA

The United States passed legislation (commonly referred to as '***FATCA***') which will impose new identification and information reporting requirements with respect to certain holders of "financial accounts," as defined in the FATCA rules. If the Issuer does not enter into an agreement with the U.S. Internal Revenue Service (the '***IRS***') and comply with these identification and reporting requirements, it may become subject to a 30% U.S. withholding tax on the receipt of certain payments, which may reduce amounts available to the Issuer to make payments on the Notes. If the Issuer does enter into such an agreement with the IRS, and a Noteholder, or each of the Principal Paying Agent or Paying Agent (as the case may be), do not provide the information requested to establish that they are eligible to receive payments free of FATCA withholding, the Issuer may be required to withhold 30% on a portion of payments made on the Notes. Prospective investors should consult their own advisors about the application of FATCA, in particular if they may be classified as financial institutions under the FATCA rules.

Availability of Liquidity Facility

Pursuant to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider will provide a committed 364 day facility for drawings to be made. The Issuer may draw down under the Liquidity Facility Agreement provided it satisfies certain conditions set out therein. The Issuer shall be entitled to apply funds received pursuant to the Liquidity Facility to pay, *inter alia*, items (a) to (d) (inclusive) of the Issuer Pre-enforcement Priority of Payments. It should be noted that the Liquidity Facility may not be sufficient to meet the full amount of interest payable on the Notes on any Interest Payment Date (the amount available for drawing for these items and in addition, to meet costs incurred by the Issuer in relation to the establishment of any security interests pursuant to the Security Agreement and, in certain circumstances, towards repayment of any third party loans that may impede the enforcement of the security by the Security Trustee on behalf of the Noteholders (being limited to a maximum aggregate amount of €99,750,000, subject to a *pro rata* reduction in connection with a redemption of the Notes)). In the event that a Liquidity Facility Event of Default occurs, the Issuer will not be entitled to draw from the Liquidity Facility. See further the section *Summary of Principal Documents – Liquidity Facility Agreement.*

The Liquidity Facility Provider at the Closing Date will have a rating of (i) its short-term unsecured, unsubordinated and unguaranteed debt obligations of F1 and its long-term unsecured, unsubordinated and unguaranteed debt obligations of A, in each case given by Fitch, (ii) its short-term secured, unsubordinated and unguaranteed debt obligations of P-1 by Moody's and (iii) its long-term unsecured, unsubordinated and unguaranteed debt obligations of either (x) A by S&P (if the short-term unsecured and unsubordinated debt obligations are also rated at least as high as A-1 by S&P) or (y) A+ by S&P (if the short-term unsecured and unsubordinated debt obligations are not rated, or are rated below A-1 by S&P), or such other short term or long term rating as is commensurate with the equivalent long term rating assigned to the Notes then outstanding by the Rating Agencies from time to time or which is otherwise acceptable to such Rating Agencies and in relation to Fitch, if the long-term rating and/or the short-term rating by Fitch of the Liquidity Facility Provider is on Rating Watch Negative, such long-term rating

and/or short-term rating, as applicable, will be treated one notch below the then current rating given by Fitch (the '***LFP Requisite Ratings***'). If the credit rating assigned by a Rating Agency in respect of the short-term debt obligations of the Liquidity Facility Provider at any time after the Closing Date falls below the relevant LFP Requisite Rating or the Liquidity Facility Provider has declined to renew the Liquidity Facility at the relevant date, the Issuer may request a Liquidity Facility Standby Loan (as described in the section *Summary of Principal Documents – Liquidity Facility Agreement*) or may cancel the Liquidity Facility (provided the Issuer shall have first made arrangements for a replacement Liquidity Facility Provider with a bank that has the LFP Requisite Ratings on terms which are acceptable to the Security Trustee and the Rating Agencies) or require the Liquidity Facility Provider to novate or transfer its rights and obligations under the Liquidity Facility to a bank which has the LFP Requisite Ratings. Further, if the Liquidity Facility Provider defaults in respect of its obligations under the Liquidity Facility Agreement, or declines to renew the Liquidity Facility, this may result in a termination of the Liquidity Facility Agreement. In such circumstances, there may be a downgrading of the Notes.

The Fund Manager

The Fund Manager has a broad function. It acts as manager (*beheerder*) of the Fund, as sole board member of DRF I, DRF II, DRF III and DRF IV as well as managing director of Vesteda Project Development B.V.– see further the section *Vesteda Group and the Fund – Corporate Profile and Business*. The Fund Manager has exclusive responsibility for the management of the business of the Fund. The Fund Manager acts for the account and at the risk of the joint participants in the Fund and represents the Fund in order to carry out the investment objectives of the Fund in accordance with the Fund Terms and Conditions and the investment guidelines of the Fund.

Pursuant to the Fund Terms and Conditions, the Fund Manager cannot resign as manager unless with ordinary consent of the participants in the Fund. In addition, the participants in the Fund can remove the Fund Manager (or its managing directors) with ordinary consent in case of, amonst other things, material defaults or breaches of the Fund Manager under the Fund Terms and Conditions, or with a specified majority consent of the participants in the Fund in other circumstances, in each case in accordance with the Fund Terms and Conditions. The Fund Terms and Conditions provide that, simultaneously with the resolution to remove the Fund Manager, the participants in the Fund will, by a specified majority consent, resolve to appoint a new manager of the Fund. However, no assurance can be given that such new manager would be found, or if found, would be willing to act. If a new manager has not been appointed, the participants may decide to terminate the Fund which would accelerate repayment under the Secured Loan Agreement.

Creation of Security Interests

The Secured Loan Agreement includes a list of events (Borrower Events of Default, a Failure to Pay Interest Event, a Failure to Refinance Event and a Failure to Pay Principal Event as more fully set out in the Secured Loan Agreement (see the section *Summary of Principal Documents – Secured Loan Agreement* below)), the occurrence of which will entitle the Security Trustee to create (and oblige the Fund Manager and the Borrowers to cooperate with the creation of) Mortgages over sufficient Properties representing a Book Value (as defined herein) of 150

per cent. of the Borrower Principal Obligations. Furthermore, on the occurrence of a Non-Payment on Expected Maturity Date Event, Failure to Pay Interest Event, a Failure to Refinance Event or a Failure to Pay Principal Event (which is continuing) or a Borrower Event of Default, whichever is earlier, the Borrowers and the Fund Manager shall be obliged to create a disclosed security interest over the Rent Collection Accounts, Master Collection Account (if any), Segregated Account and any similar accounts opened by the Borrowers. Upon the occurrence of a Fund Unwind Event, the Borrowers shall be obliged to open and to create a disclosed right of pledge over the Repayment Account (see further the section *Summary of Principal Documents – Secured Loan Agreement*).

If the relevant security interest shall not have been created prior to a bankruptcy order or suspension of payments order in respect of the party that is obliged to provide security, such security interest can no longer be validly created. Further, if Properties are subject to any attachment prior to the creation of a security interest, the security interest shall not take priority over the attachment. In both cases the Security Trustee will not have the (full) benefit of the security interests, which could affect the Issuer's ability to repay the Class A8 Notes. However, *inter alia*, to mitigate this risk, certain financial covenants have been provided under the Secured Loan Agreement (including an LTV covenant of 45 per cent. loan to value), a breach of which, if not cured within the applicable period shall constitute a Borrower Event of Default and thus require the creation of Mortgages. Further, since the DRFs are made subject to restrictions and provide certain covenants in respect of their activities pursuant to the Secured Loan Agreement, the risk of the DRFs becoming bankrupt or being granted a suspension of payments is reduced.

Rights of security trustee under articles of association of the Borrowers and power of attorney to create Mortgages

The articles of association of the DRFs give the Security Trustee the right to dismiss and/or appoint members of the management board of the DRFs upon the occurrence of (i) a Failure to Pay Interest Event or a Failure to Pay Principal Event and (ii) a Borrower Event of Default thus enabling the Security Trustee to exercise control over the boards of the DRFs and procure the creation of Mortgages in accordance with, and pursuant to, the Security Agreement, should the boards of the DRFs refuse to cooperate to create such Mortgages and liquidate the Properties. As soon as possible after the occurrence of (i) a Failure to Pay Interest Event and/or a Failure to Pay Principal Event and (ii) a Borrower Event of Default, the Security Trustee will provide notice hereto at the Chamber of Commerce reflecting that as a result of the occurrence of (i) a Failure to Pay Interest Event and/or a Failure to Pay Principal Event and (ii) a Borrower Event of Default, the right to dismiss and/or appoint members of the management board of the DRFs is with the Security Trustee. A further notice will be provided to the Chamber of Commerce if (i) the Failure to Pay Interest Event and/or the Failure to Pay Principal Event and (ii) the Borrower Event of Default is not continuing. In addition, each of the Borrowers granted an irrevocable power of attorney (each a '***Mortgage Power of Attorney***') dated on or about the date hereof to the Security Trustee to create Mortgages over the Properties upon the occurrence of a Failure to Pay Interest Event, a Failure to Refinance Event, a Failure to Pay Principal Event or a Borrower Event of Default, as more fully set out in the Secured Loan Agreement (see the section *Summary of Principal Documents – Secured Loan Agreement*).

As stated above, the DRFs can no longer validly create the Mortgages if they themselves become bankrupt or are granted a suspension of payments, in which case such security interest cannot be validly constituted by the DRFs or the Security Trustee pursuant to the Mortgage Powers of Attorney. Further, if Properties are subject to any attachment prior to the creation of a security interest, the security interest shall not take priority over the attachment. However, since the DRFs are made subject to restrictions and provide certain covenants in respect of their activities pursuant to the Secured Loan Agreement, the risk of the DRFs becoming bankrupt or being granted a suspension of payments is reduced. Although the expectation is that the Mortgages can be created reasonably quickly, there could be unexpected delays, which may result in a situation that not all required Mortgages can be vested in time.

In addition to being the legal owners of the Properties, the DRFs have liabilities, and will incur liabilities, in their capacity as custodians of the Fund. The DRFs are likely to have incurred liabilities or will incur liabilities that will rank *pari passu* with their obligations towards the Issuer as Borrowers under the Secured Loan Agreement which may result in the Borrowers not being able to fulfil their obligations to pay amounts due under the Secured Loan Agreement and, if the Borrowers became insolvent as a result of such liabilities, would limit or terminate the ability of the Security Trustee to exercise its rights under the respective articles of association of the DRFs and the Mortgage Powers of Attorney. Both situations would, in turn, affect the ability of the Issuer to fulfil its obligations under the Class A8 Notes. However, as aforementioned, the DRFs are made subject to restrictions and provide certain covenants in respect of their activities pursuant to the Secured Loan Agreement so that the liabilities which they can incur are limited. Further, subject to the conditions of the Liquidity Facility Agreement, Liquidity Drawings may be made to pay such liabilities in order to reduce the risk of Borrowers becoming the subject of insolvency proceedings.

Account Pledges and Repayment Account Pledge

Pursuant to the Security Agreement, each of the Borrowers and the Fund Manager has agreed to create upon the occurrence of certain events (see the section *Summary of Principal Documents – Secured Loan Agreement* below), pledges over the Rent Collection Accounts, the Master Collection Account (if any), the Repayment Account and the Segregated Account establishing a pledge over the credit balances of these accounts relating to payments that are made prior to the bankruptcy or suspension of payments of the relevant holder of the account, being, respectively, the Fund Manager in the case of the Rent Collection Accounts (unless all rental income is received directly from tenants into one or more Rent Collection Accounts held in the name of one or more Borrowers) and in respect of the other accounts (including, without limitation, any Rent Collection Accounts held in their name), the Borrowers. Unless all tenants, intermediaries and other relevant parties have been instructed to make payments into one or more Rent Collection Accounts held in the name of one or more Borrowers and the Rent Collection Accounts held in the name of the Fund Manager have either been closed or transferred to the relevant Borrowers, moneys standing to the credit of the Rent Collection Accounts held in the name of the Fund Manager are transferred at least once monthly to the Master Collection Account. Amounts that are paid into these accounts after the bankruptcy or suspension of payments of the relevant account holder will no longer be subject to the right of pledge and will become part of the estate of the account holder (unless the ultimate beneficiary of the payments can successfully claim that from the designation of the accounts it can be derived that any

payments received in the accounts do not form part of the account holder's estate and are therefore the property of such beneficiary).

If the Fund Manager were to become insolvent and the payments into the relevant accounts held in its name are determined to be part of the Fund Manager's estate, the Borrowers will have a non-preferred and unsecured claim against the Fund Manager for the payments which the Fund Manager received on behalf of the Borrowers. It cannot be excluded that the estate of the Fund Manager will be insufficient to pay (part of) such claim, in which case the Borrowers may not receive the rental income in full, which could affect their ability to make payments under the Secured Loan Agreement (and, in turn, the Issuer's ability to make payments under the Class A8 Notes). However, in the event that the Fund Manager becomes bankrupt or is made subject to a suspension of payments, the Secured Loan Agreement provides that, *inter alia*, for as long as all tenants, intermediaries and other relevant parties have not been instructed to make payments into one or more Rent Collection Accounts held in the name of one or more Borrowers, the Borrowers are obliged to open new accounts in their name and arrange for amounts payable by tenants to be redirected to such new accounts so that these amounts are no longer part of the Fund Manager's estate.

The Secured Loan Agreement provides that the Borrowers and the Fund Manager may at any time instruct all tenants, intermediaries and other relevant parties to make rent and other payments directly into one or more Rent Collection Accounts opened and held in the name of one or more Borrowers. The Fund Manager and the Borrowers shall promptly upon opening of any Rent Collection Account in the name of a Borrower, notify the Issuer and the Security Trustee thereof. Provided that the Issuer and the Security Trustee have received evidence reasonably satisfactory to them that (i) all tenants, intermediaries and other relevant parties have been instructed to make rent and other payments directly into one or more Rent Collection Accounts held in the name of one or more Borrowers, (ii) all such Rent Collection Accounts opened and held in the name of one or more Borrowers are in operation, (iii) all Rent Collection Accounts held in the name of the Fund Manager have been closed or transferred to one or more Borrowers and (iv) the Master Collection Account has either been closed or is in use as a Rent Collection Account, and upon receipt of written confirmation by the Issuer and the Security Trustee of receipt of such evidence, (i) the Fund Manager and the Borrowers shall be released from their respective obligation to transfer moneys standing to the credit of the Rent Collection Accounts held in the name of the Fund Manager at least once monthly to the Master Collection Account and (ii) the Fund Manager shall be released from its obligation to pledge the Rent Collection Accounts (formerly) held in its name.

Impact of Netherlands Insolvency Law

The Security Trustee can, pursuant to the Security Agreement and Netherlands law, in the event of bankruptcy or a suspension of payments in respect of any of the providers of security, exercise the rights afforded by law to a secured party as if there were no bankruptcy or suspension of payments. However, bankruptcy or a suspension of payments involving any of the providers of security would affect the position of the Security Trustee as a secured party in some respects, the most important of which are: (i) a mandatory "cool-off" period (*afkoelingsperiode*) of up to four months may apply in case of bankruptcy or a suspension of payments involving any of the providers of security, which, if applicable would delay the exercise of the right created by

the relevant security interest, including any such right created by a mortgage, and (ii) the Security Trustee may be obliged to enforce a security interest, including a security interest such as a mortgage or pledge, within a reasonable period as determined by the judge – commissioner (*rechter-commissaris*) appointed by the court in case of bankruptcy of any of the Borrowers.

Foreclosure of Security Interests

Under Netherlands law, a security interest (mortgage or pledge) is in principle foreclosed through a public auction of the relevant assets. This auction has to be effected in accordance with the applicable provisions of the Netherlands Civil Code (*Burgerlijk Wetboek*) and the Netherlands Civil Procedures Code (*Wetboek van Burgerlijke Rechtsvordering*). The application of certain provisions of Netherlands law could cause delay in the foreclosure process or could limit the discretion of the Security Trustee as to the manner of foreclosure, as further set out below.

The Netherlands Civil Code provides, in the case of mortgage or pledge, that the relevant assets can also be sold by way of private sale. Such sale is subject to court approval, which can only be requested after the security interest has become enforceable. The approval (although discretionary) is likely to be granted if the terms of the sale are better than the terms that would have been received if the assets were sold at a public auction.

With respect to pledges, it is furthermore possible that, once the security interest has become enforceable, the pledgor and pledgee agree to an alternative foreclosure procedure or that, at the request of the pledgee, the pledged asset is kept by the pledgee against a consideration approved by the courts.

As stated above, a mortgage can be foreclosed through a public auction or a private sale. A private sale may in some circumstances be preferable as it might be on better terms than a public sale. However, this could be more time-consuming than a sale by way of public auction. In any case, the Security Agreement provides that the Security Trustee can avail itself of experts and advisers to assist with a foreclosure of the security interests created by, and pursuant to, the Security Agreement, in order to determine the most appropriate foreclosure procedure at the relevant time.

The Fund Manager and the Borrowers have undertaken to create a right of pledge, pursuant to the Account Pledges, over, *inter alia*, amounts standing to the credit of, in the case of the Fund Manager the Rent Collection Accounts (unless all rental income is directly received directly from tenants into one or more Rent Collection Accounts held in the name of one or more Borrowers) and in respect of the other accounts (including, without limitation, any Rent Collection Accounts held in their name), the Borrowers immediately upon the occurrence of a Non-Payment on the Expected Maturity Date Event, a Failure to Refinance Event, a Failure to Pay Interest Event or a Failure to Pay Principal Event (in each case which is continuing). The Borrowers have, upon the occurrence of a Fund Unwind Event, agreed to create a right of pledge over the Repayment Account. These pledges can in principle be enforced by requiring the bank where the accounts are held to pay these credit balances to a designated account of the Security Trustee. The Security Trustee can apply these amounts by off-setting them against the Borrower Secured Obligations.

The Issuer has pledged and will pledge pursuant to the Issuer Pledge Agreement its assets, consisting of rights under the Relevant Documents to which it is a party and the amounts standing to the credit of its bank accounts, to the Security Trustee. This pledge can be enforced by the Security Trustee through an exercise of the Issuer's rights under such Relevant Documents. The Security Trustee can further foreclose the pledge through one of the foreclosure alternatives described above although this may, in the circumstances, be less appropriate.

The Netherlands Bankruptcy Code provides that the bankruptcy trustee of a pledgor or mortgagor can require the pledgee or the mortgagee to foreclose its security interest within a reasonable period (see above), failing which the bankruptcy trustee can foreclose the pledge or mortgage on behalf of the pledgee or mortgagee (which will then have to share in the bankruptcy costs).

Hedging Providers

Each Hedging Agreement provides, and in respect of the 2012 Supplemental Hedging Agreement will provide, that the Hedging Providers will be obliged to make payments under the relevant Hedging Agreement without any withholding or deduction of taxes unless required by law and that, if any such withholding or deduction is required by law, the relevant Hedging Provider will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. Each Hedging Agreement provides, and in respect of the 2012 Supplemental Hedging Agreement will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the relevant Hedging Agreement, the relevant Hedging Provider will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a '***Tax Event***'), such Hedging Provider may with the consent of the Issuer (which consent shall not be unreasonably withheld) subject to the consent of the Rating Agencies transfer (by way of novation or assignment) its rights and obligations, to another of its offices, branches or affiliates to avoid the relevant Tax Event.

Each of the Class A4 Forward Swap, the Class A6 Supplemental Forward Swap, the Class A7 Supplemental Forward Swap and the Class A8 Supplemental Forward Swap will be terminable by the Issuer if an Event of Default or Termination Event (each as defined in the relevant Hedging Agreement) occurs in relation to the relevant Hedging Provider.

On the Closing Date, (i) the Original Hedging Provider will comply with the rating requirements under the Original Hedging Agreement, (ii) the Class A5 Hedging Provider will comply with the rating requirements under the 2007 Supplemental Hedging Agreement, (iii) the Class A6 Hedging Provider will comply with the rating requirements under the 2008 Supplemental Hedging Agreement, (iv) the Class A7 Hedging Provider will comply with the rating requirements under the 2010 Supplemental Hedging Agreement and (v) the Class A8 Hedging Provider will comply with the rating requirements under the 2012 Supplemental Hedging Agreement, each as set out in *Summary of Principal Documents – The Original Hedging Agreement* and *The Supplemental Hedging Agreements*.

Pursuant to the relevant Hedging Agreements, each Hedging Provider is required to have a minimum rating for their short term and in some cases long term debt obligations. If a Hedging Provider no longer meets the required rating criteria, such Hedging Provider is required to take the actions set out in the relevant Hedging Agreement in order to mitigate the consequences of its failure to meet the required rating criteria. If the relevant Hedging Provider defaults in respect of its obligations, the Borrowers may be obliged to procure a replacement hedging agreement for the Issuer to enter into at their own cost with another appropriately rated entity or procure credit support. For so long as there is no replacement hedge provider, the Borrowers will remain obliged to fulfil their obligations to pay interest amounts on the Term Loans pursuant to the Secured Loan Agreement but at an unhedged rate. In such circumstances, it cannot be excluded that there may be a downgrading of the Class A8 Notes. See further the sections *Issues relating to the Notes – The Issuer's ability to meet its obligations under the Class A8 Notes* and *Summary of Principal Documents – The Original Hedging Agreement* and *The Supplemental Hedging Agreements*.

Termination Payments under the Forward Swaps and the Supplemental Swaps

If a Forward Swap or a Supplemental Swap is terminated under the relevant Hedging Agreement, the Issuer may be obliged to pay a termination payment to the relevant Hedging Provider. The amount of any termination payment will be based on the market value of the terminated Forward Swap or Supplemental Swap (as the case may be) based on market quotations of the cost of entering into a transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

The funds which the Issuer has available to make payments on the Notes may be reduced if the Issuer is obliged to make a termination payment to one of the Hedging Providers in respect of a Forward Swap or a Supplemental Swap. If, however, (a) a Forward Swap is terminated due to (i) a prepayment of any of the Initial Term Loans under the Secured Loan Agreement; or (ii) any Borrower failing to comply with its payment obligations to the Issuer under the Secured Loan Agreement, or (b) a Supplemental Swap is terminated due to (i) a prepayment of the Term A6 Loan and/or Term A7 Loan and/or Term A8 Loan (as the case may be) under the Secured Loan Agreement; or (ii) any Borrower failing to comply with its payment obligations to the Issuer under the Secured Loan Agreement, then, pursuant to the Secured Loan Agreement, the Borrowers have agreed to pay to the Issuer an amount equal to such termination payments due and payable to the relevant Hedging Provider under the relevant Hedging Agreement in respect of such Forward Swap or Supplemental Swap (as the case may be) (unless such Hedging Provider is in default under its obligations under the relevant Hedging Agreement). In addition, any termination payment due and payable to one of the Hedging Providers which arises owing to a default by such Hedging Provider shall not rank in priority to payments due to any Noteholder. See further the section *Summary of Principal Documents – Secured Loan Agreement.*

Delegation

Except to the limited extent described herein, the Security Trustee nor any Noteholder will participate in the management of the Issuer, the Borrowers or the Fund Manager. In particular, such parties cannot supervise the functions relating to the management or operation of

the Properties. The Issuer has no executive management resources of its own and, as such, the Issuer will rely upon, *inter alia*, its Director and the Corporate Administrator for all its executive and administrative functions. Failure by any such party to perform its obligations could have an adverse effect upon the Issuer's ability to repay the Class A8 Notes. There can be no assurance that, were any such party is to resign or its appointment be terminated, a suitable replacement director or corporate administrator could be found or would be found in a timely manner and engaged on terms which would not cause a downgrade or withdrawal of the rating of the Class A8 Notes.

Change of Law

The structure of the issue of the Class A8 Notes and the ratings which are to be assigned to them are based on the Netherlands law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change in Netherlands law or administrative practice in the Netherlands after the date of this Prospectus.

C. RISKS RELATING TO THE PROPERTY

Liquidation Value

The liquidation value of the Properties may be adversely affected by risks generally incidental to interests in real property, including, but without limitation, changes in political and economic conditions or in specific industry segments, declines in property values, declines in rental or occupancy rates, increases in interest rates, changes in governmental rules, regulations and fiscal and other policies, terrorism, flooding, and other factors which are beyond the control of the Fund Entities and the Issuer.

Tenancy Agreements

The Borrowers and the Fund Manager will covenant in the Secured Loan Agreement not to amend, vary, supplement or terminate (save for any termination in connection with a Permitted Disposal (as defined in the Master Definitions Agreement)) in any material way any terms of the Tenancy Agreements other than in cases where it would be acceptable to a reasonably prudent buyer/seller and owner of residential property or in cases such that it would not have a material adverse effect. There can therefore be no assurance that market practice in respect of Tenancy Agreements and/or the demands of prospective tenants over the life of the Notes will not subject the Borrowers to more onerous or less favourable covenants on its part or that tenant obligations under such Tenancy Agreements will not significantly diminish which, in any such event, may have an adverse effect on the value of, or income from, the Properties.

Appointment of Independent Advisor

The Secured Loan Agreement provides that in certain circumstances, the Borrowers shall, subject to the approval of the Security Trustee, appoint an external, independent and appropriately qualified advisor to perform certain functions, including, to assume control and management of the process of liquidating the Properties. No assurance can be given that in any such circumstances an individual or entity can be found either on terms acceptable to the Security Trustee or at all.

Insurance

Stichting Administratiekantoor Vesteda has obtained insurance cover, in the form of (i) a liability policy in the name of Stiching Administratiekantoor Vesteda and (ii) a comprehensive insurance policy in the name of the Stichting Administratiekantoor Vesteda, (together the '***Insurance Policies***'), in each case also covering the DRFs and the Fund as insured companies. The insured risks comprise, principally, typical property insurance risks for properties of this type. The Insurance Policies are due to expire on 1 January 2013, with tacit renewal for a certain period thereafter. No assurances can be given that the Insurance Policies will be renewed on the same terms or will be renewed at all. The amount of cover provided under the Insurance Policies varies and deductibles apply. The deductible in respect of the comprehensive insurance policy of the Stichting Administratiekantoor Vesteda is approximately 0.04% of the insured amount in respect of the Properties.

The Borrowers and the Fund Manager covenant in the Secured Loan Agreement that they will keep all of the Properties of an insurable nature insured in the aggregate to full replacement costs, excluding the relevant deductible, and in accordance with the terms of the Tenancy Agreements, and provide insurance in respect of each Property with reputable insurers against loss or damage resulting from, *inter alia*, fire and explosion and maintain such other insurances as are in accordance with sound and prudent commercial practice.

No assurance can be given that the proceeds of any such insurance will be sufficient to pay, in full, all the amounts due from the Borrowers under the Secured Loan Agreement and, hence, the Notes. Certain types of risks and losses (for example, losses resulting from terrorism) are normally not covered in respect of the Properties. Other types of risks and losses may become either uninsurable or not economically insurable or are not covered by the Insurance Policies. If an uninsured or uninsurable loss were to occur, the Borrowers might not have sufficient funds to repay in full all amounts owing under the Secured Loan Agreement.

Reliance on Valuation

The value of the Properties as at 31 December 2011 was, in aggregate, €4,072,833,433. However, there can be no assurance that the market value of the Properties will continue to be equal to or exceed such value. The valuations of the Properties express the professional opinion of the relevant valuers on the relevant Property and are not 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 in relation to a particular Property that would be reached if a different valuer were 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 is 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 under the Secured Loan Agreement. If the Properties are sold following a Failure to Pay Principal Event or a Borrower Event of Default pursuant to the Secured Loan Agreement, there is no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Secured Loan Agreement.

Disposals/Valuation

As part of the Fund's strategy, the Vesteda Group will make disposals of Properties, from time to time. The price at which the Properties will be disposed of will be influenced by general economic conditions and other factors described below under the heading *General* in the section - *Business Risks*.

Environmental Risks

The Borrowers and the Fund Manager provide representations and warranties to the Issuer and the Security Trustee in the Secured Loan Agreement in relation to their compliance with environmental laws and approvals. The Borrowers also covenant to continue to comply with such laws and approvals. However, if an environmental liability arises in relation to any Property and it is not remedied, or it is not capable of being remedied, this may adversely affect such Property and the business of the Vesteda Group (either because of the cost implications for the Fund or because of disruption to services provided at the relevant Property). It may also result in a reduction of the value of the relevant Property or affect the ability of the Fund to dispose of the relevant Property or its ability to service the Term Loans.

State of the Properties

The Borrowers provide representations and warranties to the effect that the Properties are in good and substantial repair and condition and fit for the purpose for which they are presently used and that there is no material defect in their condition or construction. The Borrowers also provide certain covenants in connection with the state and repair of the Properties. However, if a liability in this respect arises in respect of a Property, and it is not remedied, or it is not capable of being remedied, this may adversely affect such Property and the business of the Vesteda Group (either because of the cost implications for the Fund or because of disruption to services provided at the relevant Property). It may also result in a reduction of the value of the relevant Property or affect the ability of the Fund to dispose of the relevant Property or its ability to service the Term Loans.

D. BUSINESS RISKS

General

Real property investments are subject to varying degrees of risk. Rental revenues, property values and the demands of tenants are affected by changes in the general economic climate and local conditions such as an over supply of space, a reduction in demand for residential property in an area, competition from other available space or increased operating costs. Rental revenues and property values are also affected by such factors as political developments, government regulations and changes in planning laws or policies or tax laws, interest rate levels, inflation, wage rates, levels of employment and the availability of consumer credit. Further, the ability to attract the appropriate types and numbers of tenants paying rent levels sufficient to allow the Borrowers to make payments under the Secured Loan Agreement will be dependent, among other things, on the performance generally of the real property market. Rental revenues and values are sensitive to such factors which can sometimes result in rapid, substantial increases and decreases in rental and valuation levels. Any resulting decline in market

value may adversely affect the ability of the Borrowers to meet their obligations under the Secured Loan Agreement.

The downturn in the Netherlands economy may in general have an impact on the Fund Entities. It may be expected that the volume of residential housing transactions will slow down or at least not recover and the prices of residential houses may be negatively influenced by such downturn. On the other hand, the downturn may lead to a lower building volume which may increase the scarcity in the residential property rental market and thus positively influence rent levels. The financing conditions for housing purchases will be tighter, which may also have a positive influence on the residential property rental market.

Competition

The Fund is one of the largest private residential funds in the Netherlands, acquiring, developing, managing, letting and selling residential properties currently located in the Netherlands. In the low-rent sector and the medium-rent sector, the housing associations are the largest landlords in the Netherlands by social and community goals. However, the Properties fall predominantly in the medium to high-rent sector. An increase in competition could, for example, have an impact on the rental income available to the Fund and the value of its Properties, which could affect the Borrowers' ability to make payments under the Secured Loan Agreement. However, the number and value of Properties relating to the amounts outstanding from time to time under the Secured Loan Agreement, and the covenants imposed on the Borrowers pursuant to the Secured Loan Agreement, as well as the repayment conditions of the Term Advances under the Secured Loan Agreement, should reduce the risk that increased competition will affect the ability of the Issuer to pay interest and principal on the Class A8 Notes.

Strategy

The strategy of the Fund is based on certain assumptions relating to, *inter alia*, economic conditions, market for rental properties, and demographic conditions in the Netherlands. Although the Fund has no reason to believe that these assumptions are inappropriate, it cannot be excluded that these assumptions turn out to be incorrect. This could, for example, have an impact on the rental income available to the Fund and the value of its Properties, which could affect the Borrowers' ability to make payments under the Secured Loan Agreement. However, the number and value of Properties relating to the amounts outstanding from time to time under the Secured Loan Agreement, and the covenants imposed on the Borrowers pursuant to the Secured Loan Agreement, as well as the repayment conditions of the Term Advances under the Secured Loan Agreement, should reduce the risk that adverse change in conditions or markets that are relevant to the assumptions on which the Fund's strategy is based, will affect the ability of the Issuer to pay interest and principal on the Class A8 Notes.

Property Management

The net cash flow realised from the Properties may be affected by management decisions. As described above, the Properties are managed by the Fund Manager. The Fund Manager and its local management branches are responsible for finding new tenants and for negotiating the terms of leases with such tenants although the Fund Manager is ultimately responsible. Whilst

the Fund Manager is experienced in managing residential property, there can be no assurance that decisions taken in the future by it (or by its representatives at local branches on its behalf) will not adversely affect the value and/or cash flows of the Properties.

E. REGULATORY

The Fund is subject to varying degrees of local, regional and national regulation, covering environmental, safety and maintenance standards and tenants' rights, and other factors that affect the property market. There can be no assurance that such laws or regulations or the interpretation or enforcement of or change in any such laws or regulations will not have an adverse effect on the value of the Properties or require the Fund to incur additional costs or otherwise adversely affect the management of its Properties, which could adversely affect the results of operations and financial condition of the Fund. See further section *Property Leasing in the Netherlands – Regulatory Framework* below for further details.

F. GENERAL

Reports

No new reports have been prepared specifically for the purpose of this Prospectus, or the transaction contemplated herein and none of the Issuer, the Sole Arranger, Joint Lead Managers or the Security Trustee has made any independent investigation of any of the matters stated therein, except as disclosed in this Prospectus.

Historical Information

The historical financial and other information set out in the sections *Overview of the Netherlands Residential Property Market, Vesteda Group and the Fund – Corporate Profile and Business, Property Leasing in the Netherlands – Regulatory Framework* and *Description of the Portfolio* below represents the historical experience of the Vesteda Group. There can be no assurance that the future experience and performance of the property leasing market will be similar to the experience shown in this document.

Information to Noteholders

Except for the information to be delivered pursuant to the Secured Loan Agreement which is to be made available to the Class A8 Noteholders at the office of the Paying Agent (see the section *Summary of Principal Documents – Secured Loan Agreement* below), the Issuer will have no obligation to keep the Class A8 Noteholders or any other person informed as to matters arising in relation to the Properties or to disclose to them any financial or other information or the contents of any notice received or given by it in respect of the Properties.

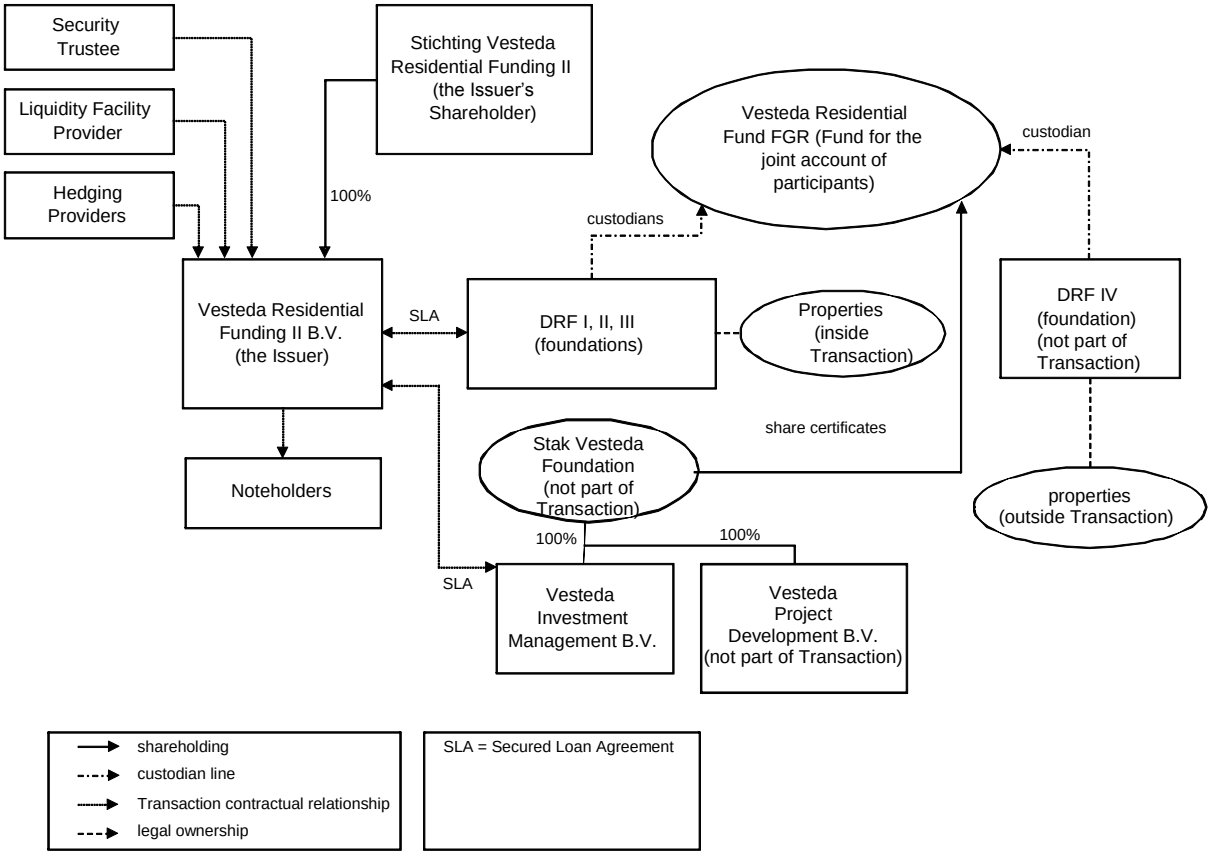
Conflicts of Interest

ATC Management B.V., being the sole director of the Issuer and the Shareholder, belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole director of the Security Trustee. Therefore, a conflict of interest could arise. In this respect, it is noted that each of ATC Management B.V. and Amsterdamsch Trustee's Kantoor B.V is, with

regard to the exercise of its powers and rights as either the sole director of the Issuer, the sole director of the Security Trustee and the sole director of the Shareholder, under the relevant management agreement bound by the restrictions set out in the respective management agreement that are intended to ensure that the powers and rights are exercised in the interest of the Issuer, the Shareholder and the Security Trustee and the other parties involved in this transaction. The Security Trustee is a party to the management agreements with the Issuer and the Shareholder for, inter alia, the better preservation and enforcement of its rights under the Issuer Security Documents.

TRANSACTION DIAGRAM

Prospective investors are advised to read carefully, and should rely on, the entire final Prospectus in making their investment decisions. This diagram does not include all relevant information relating to the Class A8 Notes, particularly with respect to the risks and special considerations associated with an investment in the Class A8 Notes.



OVERVIEW

The following is an overview of the principal features of the Class A8 Notes. This overview should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Prospectus. A list of pages on which certain capitalised terms are defined is found in the section entitled "Index of Defined Terms" below. This description is not a summary as referred to in Section 5:14 of the Netherlands Financial Supervision Act (Wet op het financieel toezicht).

The Parties

Issuer:	Vesteda Residential Funding II B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), under number B.V. 1330079 and registered with the Commercial Register of the Chamber of Commerce, under number 34229747 (herein referred to as the '***Issuer***'). The issued share capital of the Issuer is comprised of 18 shares of €1,000 each currently held by the Shareholder (as defined below).
Shareholder:	Stichting Vesteda Residential Funding II established under the laws of the Netherlands as a foundation (*stichting*) and registered with the Commercial Register of the Chamber of Commerce, under number 34228679 (herein referred to as the '***Shareholder***'). The Shareholder holds the entire issued share capital of the Issuer.
Borrowers:	Stichting DRF I, Stichting DRF II and Stichting DRF III, each a foundation (*stichting*) established under the laws of the Netherlands, and registered with the Commercial Register of the Chamber of Commerce, under number 14056950, 14056952 and 14056954 respectively, (each in their capacity as custodians (*bewaarders*) of the Fund and referred to herein as '***DRF I***', '***DRF II***' and '***DRF III***' respectively and collectively as either the '***DRFs***' or the '***Borrowers***') as borrowers under the secured loan agreement dated 18 July 2005 between, *inter alios*, the Borrowers, the Fund Manager and the Issuer as amended and/or restated from time to time and as most recently amended and restated as of 2 February 2012 pursuant to the 2012 Conversion Amendment and Restatement Agreement (the '***Original Secured Loan Agreement***'), and which will be amended and restated on the Closing Date (such amended and/or restated agreement, the '***Secured Loan Agreement***'). Where reference is made herein to rights and/or obligations of the Borrowers, these are to

rights and/or obligations of the Borrowers in their capacity as custodians (*bewaarders*) of the Fund, entered into or incurred, as the case may be, by the Fund Manager (as defined below), acting in its capacity as manager (*beheerder*) of the Fund. See further the section *Vesteda Group and the Fund – Corporate Profile and Business – History and Structure* below.

Fund:

Vesteda Residential Fund, an open-ended fund for the joint account of the participants (*fonds voor gemene rekening*) under Dutch law (herein referred to as '***Fund***'). The Fund is a contractual arrangement *sui generis* between the Fund Manager and DRF I, DRF II, DRF III and Stichting DRF IV, a foundation (*stichting*) established under the laws of the Netherlands, and registered with the Commercial Register of the Chamber of Commerce 14120493 (herein referred to as '***DRF IV***'), governed by the terms and conditions relating to the Fund dated 1 February 2012 (the '***Fund Terms and Conditions***'). The Fund Terms and Conditions govern the rights and obligations of (i) the Fund Manager and each of DRF I, DRF II, DRF III and DRF IV vis-à-vis each participant in the Fund and vice versa and (ii) the Fund Manager vis-à-vis each of DRF I, DRF II, DRF III and DRF IV and vice versa.

The Fund continues the business and activities of Vesteda Woningen CV and Vesteda Woningen II CV. As part of the amendments to the existing Vesteda Woningen structure:

(a) the Borrowers were converted from private limited liability companies (*besloten vennootschap met beperkte aansprakelijkheid*) to foundations (*stichtingen*) on 27 January 2012;

(b) Dutch Residential Fund V B.V. (the custodian of Vesteda Woningen II) was converted from limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) to a foundation (*stichting*) and renamed Stichting DRF IV on 27 January 2012;

(c) Vesteda Groep B.V. and Vesteda Groep II B.V. (the general partners of Vesteda Woningen and Vesteda Woningen II, respectively) were merged effective 2 February 2012 with Vesteda Groep B.V. as the surviving entity, which is renamed Vesteda Investment Management B.V.;

(d) Vesteda Project B.V. was renamed Vesteda Project Development B.V.;

(e) the shares in the capital of Vesteda Investment Management B.V. are held by a newly established Stichting Administratiekantoor Vesteda which also holds the shares in the capital of Vesteda Project Development B.V.; and

(f) Stichting Administratiekantoor Vesteda issued share certificates to DRF IV. Pursuant to the terms and conditions of Stichting Administratiekantoor Vesteda, participants can request a power of attorney to cast a vote in the general meeting of shareholders in both the Fund Manager and Vesteda Project Development B.V.

In connection with the establishment of the Fund, the Original Secured Loan Agreement, the Security Agreement and the Master Definitions Agreement have been amended pursuant to a 2012 amendment and restatement agreement dated 30 January 2012 (the '***2012 Conversion Amendment and Restatement Agreement***') between, *inter alia*, the Issuer, the Security Trustee, the DRF I, DRF II, DRF III, the Liquidity Facility Provider, the Account Bank and the Class A6 Hedging Provider and the Class A7 Hedging Provider as at such date being ABN AMRO Bank N.V.

Fund Manager: Vesteda Investment Management B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) and registered with the Commercial Register of the Chamber of Commerce, under number 14071789, shall, *inter alia*, enter into the Secured Loan Agreement (as defined herein) in its independent capacity and in its capacity as manager (*beheerder*) of the Fund, and pursuant to a mandate (*last*) granted by DRF I, DRF II and DRF III, in their capacity as custodians (*bewaarders*) of the Fund (herein referred to as '***Fund Manager***', and together with the DRFs, collectively referred to as '***Vesteda Group***' and any entity within the Vesteda Group being referred to as a '***Fund Entity***' and together the '***Fund Entities'***.

Corporate Administrator: ATC Financial Services B.V., (herein referred to as the '***Corporate Administrator***') (or another ATC Entity (as defined below)) entered on 18 July 2005 into the corporate services agreements with the Issuer, the Shareholder and

	the Security Trustee (as defined below) (the '***Corporate Services Agreements***') in order to provide administrative services to the Issuer, the Security Trustee and the Shareholder.
Directors:	ATC Management B.V. is the sole director of the Issuer, Amsterdamsch Trustee's Kantoor B.V. is the sole director of the Security Trustee and ATC Management B.V. is the sole director of the Shareholder (each referred to herein as a '***Director***' and together with ATC Financial Services B.V., the '***ATC Entities***').
Security Trustee:	Stichting Security Trustee Vesteda Residential Funding II, established under the laws of the Netherlands as a foundation (*stichting*) and registered with the Commercial Register of the Chamber of Commerce, under number 34228680 (herein referred to as the '***Security Trustee***') has been appointed pursuant to a trust deed dated 20 July 2005 between the Issuer and the Security Trustee (amended and/or restated from time to time and most recently amended and restated on 16 April 2010) (the '***Original Trust Deed***'), which is to be amended and restated on or around the Closing Date (such amended and restated deed, the '***Trust Deed***') to represent, *inter alia*, the interests of the holders of the Class A8 Notes (the '***Class A8 Noteholders***'). Further, the Security Trustee has been appointed pursuant to a security agreement dated 18 July 2005, (as amended and/or restated from time to time and most recently amended and restated as of 2 February 2012) (the '***Original Security Agreement***') between, *inter alios*, the Issuer, the Security Trustee, the Borrowers, the Fund Manager, the ATC Entities and the Account Bank and amended and restated on or around the Closing Date (such amended and restated agreement, the '***Security Agreement***') to hold the security to be granted by the Borrowers, the Fund Manager and the Issuer pursuant to the Security Agreement on behalf of itself, the Paying Agent, the Principal Paying Agent, the Reference Agent, the Noteholders, the Hedging Providers, the Liquidity Facility Provider, the ATC Entities and the Account Bank (the '***Beneficiaries***').
Liquidity Facility Provider:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. trading as Rabobank International (herein referred to as the '***Liquidity Facility Provider***') and the Issuer, *inter alios*, entered into a liquidity facility agreement dated 15 July 2008 (as amended and/or restated from time to time and most recently amended and restated on 30 January

2012) (the '***Original Liquidity Facility Agreement***'), which will be amended and restated on or around the Closing Date (such amended and restated agreement, the '***Liquidity Facility Agreement***'). Subject to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider may be replaced by such other bank with a rating assigned for its unsecured, unsubordinated and unguaranteed short term debt obligations of at least the LFP Requisite Ratings.

Hedging Providers:

On 18 July 2005, the Issuer entered into a deed of novation, amendment and restatement (the '***Novation and Amendment Deed***') between, *inter alios*, the Issuer, Vesteda Residential Funding I B.V. and Deutsche Bank AG, London Branch acting out of its office at Winchester House 1, Great Winchester Street, London EC2N 2DB, United Kingdom (the '***Original Hedging Provider***') in respect of an ISDA Master Agreement (the '***Existing Hedging Agreement***') entered into on 19 July 2002, as amended and restated on 29 April 2004. Pursuant to the Novation and Amendment Deed, amongst other things, (a) the Existing Hedging Agreement has been amended and restated in the form set out in the Novation and Amendment Deed, and (b) certain forward interest rate swap transactions pursuant to the Original Hedging Agreement (as defined below) and certain ISDA Confirmations have been entered into (each a '***Forward Swap***' and together, the '***Forward Swaps***', and the Existing Hedging Agreement, in the form of the ISDA Master Agreement and Schedule, as amended and restated pursuant to the Novation and Amendment Deed, and the ISDA Confirmations in respect of the Forward Swaps, together, the '***Original Hedging Agreement***').

On 19 April 2007, the Issuer entered into an ISDA Master Agreement and Schedule with, *inter alios*, The Royal Bank of Scotland N.V., London Branch acting out of its office at 250 Bishopsgate, London EC2M 4AA, United Kingdom (previously named ABN AMRO Bank N.V., London Branch) and a forward interest rate swap transaction in connection with the Class A5 Notes represented by an ISDA Confirmation (the '***Class A5 Supplemental Forward Swap***' and the ISDA Master Agreement and Schedule and the ISDA Confirmation in respect of the Class A5 Supplemental Forward Swap, together, the '***2007 Supplemental Hedging Agreement***'). On 16 August 2011, The Royal Bank of Scotland N.V., London Branch, The Royal Bank of Scotland Plc, the

Security Trustee and the Issuer entered into a novation agreement pursuant to which, among other things, The Royal Bank of Scotland N.V., London Branch has novated its rights and obligations under the 2007 Supplemental Hedging Agreement to The Royal Bank of Scotland Plc as of 7 September 2011 (the '***Class A5 Hedging Provider***').

On 15 July 2008, the Issuer entered into an ISDA Master Agreement and Schedule with, *inter alios*, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. trading as Rabobank International ('***Rabobank***') acting out of its office at Croeselaan 18, 3521 CB Utrecht, The Netherlands (the '***Class A6 Hedging Provider***') and a forward interest rate swap transaction in connection with the Class A6 Notes represented by an ISDA Confirmation (the '***Class A6 Supplemental Forward Swap***' and the ISDA Master Agreement and Schedule entered into between the Issuer and the Class A6 Hedging Provider together with the ISDA Confirmation in respect of the Class A6 Supplemental Forward Swap, together as amended, supplemented and/or novated from time to time, the '***2008 Supplemental Hedging Agreement***').

The Issuer entered into an ISDA Master Agreement and Schedule dated as of 16 April 2010 with, *inter alios*, ABN AMRO Bank N.V. ('***ABN AMRO***' and a forward interest rate swap transaction in connection with the Class A7 Notes represented by an ISDA Confirmation dated 17 June 2010 (the '***Class A7 Supplemental Forward Swap***' and the ISDA Master Agreement and Schedule entered into between the Issuer and the Class A7 Hedging Provider together with the ISDA Confirmation in respect of the Class A7 Supplemental Forward Swap as amended, supplemented and/or novated from time to time together the '***2010 Supplemental Hedging Agreement***'). On 4 April 2012, ABN AMRO, Rabobank and the Issuer entered into a novation agreement pursuant to which, among other things, ABN AMRO has novated its rights and obligations under the 2010 Supplemental Hedging Agreement to Rabobank (as of 4 April 2012 (the '***Class A7 Hedging Provider***' and together with the Class A5 Hedging Provider, the Class A6 Hedging Provider, the '***Further Hedging Providers***').

On or about the Signing Date, the Issuer entered into a deed of novation (the '***Class A8 Novation Deed***') between, *inter alios*, the Fund Manager and Rabobank (the '***Class A8 Hedging Provider***') in connection with the Class A8

Notes. Pursuant to the Class A8 Novation Deed, (a) the Issuer will assume the benefit of a forward interest rate swap transaction entered pursuant to an ISDA Master Agreement between the Fund Manager and the Class A8 Hedging Provider and (b) the ISDA Master Agreement between the Fund Manager and the Class A8 Hedging Provider (as amended and restated in the form set out in the Class A8 Novation Deed). The forward interest rate swap transaction assumed by the Issuer pursuant to the Class A8 Novation Deed is represented by an ISDA Confirmation (the '***Class A8 Supplemental Forward Swap***' and the ISDA Master Agreement and Schedule as amended and restated pursuant to the Class A8 Novation Deed, between the Issuer and the Class A8 Hedging Provider together with the ISDA Confirmation in respect of the Class A8 Supplemental Forward Swap, together as amended, supplemented and/or novated from time to time, the '***2012 Supplemental Hedging Agreement***').

The 2012 Supplemental Hedging Agreement together with the 2008 Supplemental Hedging Agreement and the 2010 Supplement Hedging Agreement are referred to as the '***Supplemental Hedging Agreements***', and the Supplemental Hedging Agreements together with the Original Hedging Agreement, are referred to as the '***Hedging Agreements***'.

The Class A8 Hedging Provider, together with the Further Hedging Providers, are referred to as the '***New Hedging Providers***', and the New Hedging Providers together with the Original Hedging Provider, are referred to as the '***Hedging Providers***'.

The Class A8 Supplemental Forward Swap, together with the Class A6 Supplemental Forward Swap and the Class A7 Supplemental Forward Swap, are referred to as the '***Supplemental Swaps***'.

The credit support annex under the 2012 Supplemental Hedging Agreement, is referred to as the '***Class A8 Credit Support Annex***'.

Account Bank:

On 18 July 2005, Deutsche Bank AG, Amsterdam Branch acting out of its office at De Entree 99-197, 1101 HE Amsterdam, the Netherlands (herein referred to as the '***Account Bank***') entered into a bank account and cash management agreement with, *inter alios*, the Issuer (as amended and/or restated from time to time and as most recently amended and restated on 30 January 2011) (the

'Original Bank Account and Cash Management Agreement'), and which will be amended and restated on or around the Closing Date (such amended and restated agreement, the '***Bank Account and Cash Management Agreement***').

Principal Paying Agent and Reference Agent:

On 18 July 2005, Deutsche Bank AG, London Branch acting out of its office at Winchester House 1, Great Winchester Street, London EC2N 2DB, United Kingdom (herein referred to in its capacity as principal paying agent and reference agent as the '***Principal Paying Agent***', and the '***Reference Agent***') and Deutsche Bank Amsterdam Branch acting out of its office at De Entree 99-197, 1101 HE Amsterdam, the Netherlands, the Netherlands (herein referred to as the '***Paying Agent***') entered into a paying agency agreement dated 18 July 2005 with, *inter alios*, the Issuer (as amended and/or restated from time to time and as most recently amended and restated on 16 April 2010) (the '***Original Paying Agency Agreement***'), and which will be amended and restated on or around the Closing Date (such amended and restated agreement, the '***Paying Agency Agreement***'). The Principal Paying Agent will be responsible for, *inter alia*, performing certain tasks in respect of the Notes as described in the Paying Agency Agreement and the Conditions.

The Paying Agent will be appointed by the Issuer in accordance with the listing rules of NYSE Euronext, Amsterdam and will be responsible for, *inter alia*, performing certain tasks as described in the Paying Agency Agreement and the Conditions.

Original Securitisation and Issue of Class A8 Notes

Original Securitisation:

The Issuer entered on 18 July 2005 into a securitisation transaction (the '***2005 Securitisation***') in connection with which the Issuer made the Initial Term Loans (other than the Term A5 Loan, the Term A6 Loan and the Term A7 Loan) available to the Borrowers pursuant to the terms of the Original Secured Loan Agreement. The Issuer in turn funded the Initial Terms Loans through the issuance of the Initial Notes (other than the Class A5 Notes, the Class A6 Notes and the Class A7 Notes). On 20 April 2007, the Issuer issued the Class A5 Notes with which the Issuer made the Term A5 Loan available to the Borrowers (the '***2007 Securitisation***'). On 21 July 2008, the Issuer issued the Class A6 Notes with which the Issuer made the Term

A6 Loan available to the Borrowers (the '***2008 Securitisation***'). On 20 April 2010, the Issuer issued the Class A7 Notes with which the Issuer made the Term A7 Loan available to the Borrowers (the '***2010 Securitisation***'), and together with the 2005 Securitisation, the 2007 Securitisation and the 2008 Securitisation, the '***Original Securitisation***').

The Original Securitisation was subject to the terms of, *inter alia*, the Original Security Agreement, the Original Trust Deed, the Original Hedging Agreement, the 2007 Supplemental Hedging Agreement, the 2008 Supplemental Hedging Agreement, the Original Secured Loan Agreement, the Original Issuer Pledge Agreement, the 2007 Supplemental Issuer Pledge Agreement, the 2008 Supplemental Issuer Pledge Agreement, the 2010 Supplemental Issuer Pledge Agreement, the Original Liquidity Facility Agreement, the Bank and Cash Management Agreement and the Original Paying Agency Agreement, the Original Corporate Services Agreements (each as defined herein) (the '***Original Relevant Documents***').

Issue of Initial Notes:

The issue of the €200,000,000 Class A1 Secured Floating Rate Notes 2005 due 2017 (the '***Class A1 Notes***'), the €400,000,000 Class A2 Secured Floating Rate Notes 2005 due 2017 (the '***Class A2 Notes***'), the €400,000,000 Class A3 Secured Floating Rate Notes 2005 due 2017 (the '***Class A3 Notes***'), the €300,000,000 Class A4 Secured Floating Rate Notes 2005 due 2017 (the '***Class A4 Notes***') was constituted by a trust deed dated 20 July 2005 (the '***Initial Closing Date***') between the Issuer and the Security Trustee as trustee for the holders of the Class A1 Notes (the '***Class A1 Noteholders***'), the Class A2 Notes (the '***Class A2 Noteholders***'), the Class A3 Notes (the '***Class A3 Noteholders***') and the Class A4 Notes (the '***Class A4 Noteholders***'). The issue of the €350,000,000 Class A5 Secured Floating Rate Notes 2007 due 2017 (the '***Class A5 Notes***') was constituted by an amended and restated trust deed dated 20 April 2007 (the '***2007 Closing Date***') between the Issuer and the Security Trustee as trustee for the Class A1 Noteholders, the Class A2 Noteholders, the Class A3 Noteholders, the Class A4 Noteholders and the holders of the Class A5 Notes (the '***Class A5 Noteholders***'). The issue of the €150,000,000 Class A6 Secured Floating Rate Notes 2008 due 2017 (the '***Class A6 Notes***') was constituted by an amended and restated trust deed dated 21 July 2008 (the '***2008 Closing Date***')

between the Issuer and the Security Trustee as trustee for the Class A1 Noteholders, the Class A2 Noteholders, the Class A3 Noteholders, the Class A4 Noteholders, the Class A5 Noteholders and the holders of the Class A6 Notes (the '***Class A6 Noteholders***'). The issue of the €350,000,000 Class A7 Secured Floating Rate Notes 2010 due 2017 (the '***Class A7 Notes***' and together with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes and the Class A6 Notes, the '***Initial Notes***') was constituted by an amended and restated trust deed dated 20 April 2010 (the '**2010 Closing Date**') between the Issuer and the Security Trustee as trustee for the Class A3 Noteholders, the Class A4 Noteholders, the Class A5 Noteholders, the Class A6 Noteholders and the holders of the Class A7 Notes (the '***Class A7 Noteholders'***, and together with the Class A1 Noteholders, the Class A2 Noteholders the Class A3 Noteholders, the Class A4 Noteholders, the Class A5 Noteholders and the Class A6 Noteholders, the '***Initial Noteholders***').

The Issuer exercised its right for optional redemption of the Class A1 Notes and the Class A1 Notes were therefore redeemed on the 2008 Closing Date, which was the expected maturity date of the Class A1 Notes.

The Issuer exercised its right for optional redemption of the Class A2 Notes and the Class A2 Notes were therefore redeemed on the 2010 Closing Date which was prior to the expected maturity date of the Class A2 Notes.

The Issuer exercised its right for optional redemption of each of the Class A3 Notes and the Class A5 Notes and each of the Class A3 Notes and the Class A5 Notes are therefore expected to be redeemed on the Closing Date in accordance with the Conditions, being prior to the expected maturity date of each of the Class A3 Notes and the Class A5 Notes, and redemption of each of the Class A3 Notes and the Class A5 Notes is a condition precedent for the issuance of the Class A8 Notes.

Issue of Class A8 Notes:

It is expected that the Class A8 Notes will be issued on the Closing Date pursuant to Condition 16 of the Initial Conditions and will constitute New Notes (as defined in Condition 16 of the Initial Conditions). The Class A8 Notes will be governed by terms and conditions in substantially similar form to the Class A4 Notes, the Class A6 Notes and the Class A7 Notes.

The Class A4 Notes, the Class A6 Notes and the Class A7 Notes issued pursuant to the Original Securitisation will be left outstanding (subject to the making of certain modifications to their terms and conditions as more particularly set out in *Changes to the terms and conditions of the Class A4 Notes, the Class A6 Notes and the Class A7 Notes* below).

In connection with the issue of the Class A8 Notes, the Issuer will on or around the Closing Date, subject to the terms of a master amendment and restatement agreement to be entered into on or around the Closing Date between the Parties to the New Relevant Documents (as described below) (the '***2012 Master Amendment and Restatement Agreement***'), enter into, *inter alia*, the Security Agreement, the Trust Deed, the Supplemental Issuer Pledge Agreement, the 2012 Supplemental Hedging Agreement, the Class A8 Novation Deed, the Secured Loan Agreement, the Liquidity Facility Agreement, the Class A8 Note Subscription Agreement and the Paying Agency Agreement (each as defined and more fully described herein) (together with the 2012 Master Amendment and Restatement Agreement, the '***New Relevant Documents***').

References in this Prospectus to the '***Relevant Documents***' are to the Original Relevant Documents (to the extent not amended by or pursuant to the New Relevant Documents) and the New Relevant Documents.

The relevant Initial Noteholders will be notified of the proposed transaction and will be given the opportunity to inspect the Relevant Documents to be entered into on or around the Closing Date.

Changes to the terms and conditions of the Class A4 Notes, the Class A6 Notes and the Class A7 Notes:

Pursuant to the Trust Deed to be entered on the Closing Date certain modifications will be made to the terms and conditions of the Class A4 Notes, the Class A6 Notes and the Class A7 Notes (the '**Initial Conditions**') with effect from the issuance of the Class A8 Notes on the Closing Date which will be reflected in the terms and conditions of the Notes forming part of the Trust Deed (such modified terms and conditions, the '***Conditions***'), in particular:

(a) the deletion of any reference the Class A3 Notes, the Class A5 Notes, the Class A3 Noteholders and the Class A5 Noteholders;

(b) the circumstances in which the Security Trustee shall give an Issuer Enforcement Notice (as

defined herein) to the Issuer;

(c) the circumstances in which the Security Trustee shall be bound to take such steps as it may think fit to enforce the Issuer Security Documents (as defined herein); and

(d) meetings of Noteholders,

in each case to provide for the existence of the Class A8 Notes and the Class A8 Noteholders.

The Class A8 Notes

Class A8 Notes: The €625,000,000 Class A8 Secured Floating Rate Notes 2012 due 2017 (the '***Class A8 Notes***') together with the Class A4 Notes, the Class A6 Notes and the Class A7 Notes, the '***Notes***' and the holders of such Class A8 Notes, the '***Class A8 Noteholders***', and together with the Class A4 Noteholders, the Class A6 Noteholders and the Class A7 Noteholders, the '***Noteholders***') will be issued by the Issuer on or around 20 April 2012 (or such later date as may be agreed between the Issuer and the Joint Lead Managers) (the '***Closing Date***').

Classes of Notes: Any reference in this Prospectus to a '***Class***' of Notes or of Noteholders shall be a reference to the Class A4 Notes, the Class A6 Notes, the Class A7 Notes and the Class A8 Notes, as the case may be, or to the respective holders thereof.

Status, Form and Denomination: The Class A8 Notes will be constituted by the Trust Deed, to be governed by Netherlands law and will be secured, along with the Class A4 Notes, the Class A6 Notes and the Class A7 Notes, on the assets comprised in the same security granted by the Issuer to the Security Trustee pursuant to the Security Agreement.

The obligation of the Issuer in respect of the Class A8 Notes will rank in point of security and as to payment of interest and principal behind certain obligations of the Issuer in respect of the Liquidity Facility Agreement, the Hedging Agreements and certain other costs and expenses arising out of the transaction.

Payments of interest on the Notes will rank *pari passu* and *pro rata* between themselves and before payments of principal thereon. Payments of principal on the Notes will be equal to the amounts received by the Issuer from the Borrowers towards repayment of the principal amount outstanding in respect of the relevant advance made

available under the Secured Loan Agreement, subject to Condition 6(b) of the Conditions. See further the section *Summary of Principal Documents – Secured Loan Agreement* below.

The Security Trustee acknowledges that in exercising its rights, discretions and powers under or pursuant to the Relevant Documents (as defined herein) (i) it will consider the interests of the Noteholders (but shall not have regard to the consequences of such exercise for individual Noteholders) and (ii) it will have regard to the interests of the other Beneficiaries, provided that in the event of a conflict of interest between the Beneficiaries, the priority of payments set forth in the Trust Deed (see further the section *Summary of Principal Documents – Issuer Priority of Payments* below) determines whose interests will prevail.

Where there are amounts outstanding under the Liquidity Facility Agreement, the Security Trustee shall in the event of a conflict be required to have regard to the interests of the Liquidity Facility Provider ahead of the interests of the Noteholders.

The Class A8 Notes will be the obligations of the Issuer only. The Class A8 Notes will not be obligations or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Class A8 Notes will not be obligations or the responsibility of, or guaranteed by, without limitation, the Vesteda Companies, the participants in the Fund, or obligations or responsibilities of, or guarantees by, the Security Trustee, the Borrowers, the ATC Entities, the Sole Arranger, the Joint Lead Managers, the Account Bank, the Liquidity Facility Provider, the Hedging Providers, the Paying Agent, the Reference Agent or any other person, in whatever capacity acting, and the term 'Vesteda Companies' shall mean the Vesteda Group, the Fund and Vesteda Project Development B.V. None of the foregoing nor anyone other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Class A8 Notes.

The Class A8 Notes (which will be in the denomination of €100,000 will be subject to *pro rata* redemption save in the circumstances described herein) will initially be represented by a single Class A8 Temporary Global Note. Interests in the Class A8 Temporary Global Note will be

exchangeable, subject as provided below under the section *Global Notes*, for interests in the Class A8 Permanent Global Note upon the Exchange Date (as defined herein) not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. The Class A8 Permanent Global Note will not be exchangeable for the Class A8 Definitive Notes save in certain limited circumstances. See further the section *Class A8 Global Notes* below.

Interest:

The Interest Amount is payable by reference to successive Interest Periods and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding as at the start of the relevant Interest Period (as defined in the Conditions) on the 20th day of January, April, July and October (or, if such day is not a Business Day (as defined below), the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day), in each year (each such day being an '***Interest Payment Date***'). A '***Business Day***' means a day on which banks are open for business in Amsterdam and London provided that such day is also a day on which the TARGET System is operating credit or transfer instructions in respect of payments in euro. Each successive Interest Period will commence on (and include) an Interest Payment Date and end on (but exclude) the next succeeding Interest Payment Date, except for the first Interest Period of the Class A8 Notes which will commence on (and include) the Closing Date and end on (but exclude) 20 July 2012.

Interest on the Class A8 Notes will accrue on their Principal Amount Outstanding at an annual rate equal to the sum of Euribor for three month deposits in euro (determined in accordance with Condition 4(d)) plus a margin which will be equal to 0.75 per cent. per annum up to (and including) the Interest Period ending in October 2013, and thereafter, 1.75 per cent. per annum.

Non-Payment on Expected Maturity Date:

With respect to the Class A8 Notes:

In the event that on the Interest Payment Date falling in October 2013 (the '***Term A8 Expected Maturity Date***'), the Borrowers have not repaid the full amount of principal, fees, commissions and expenses due under the Secured Loan Agreement on the Term A8 Loan (as defined herein), then subject to a grace period for administrative or technical delay, the Interest Amount on

the Class A8 Notes for each Interest Period from such date will accrue at an annual rate equal to the sum of Euribor for three month deposits in euro (determined in accordance with Condition 4(d)) plus a margin which will be equal to 1.75 per cent. per annum.

With respect to the Class A7 Notes:

In the event that on the Interest Payment Date falling in July 2014 (the '***Term A7 Expected Maturity Date***'), the Borrowers have not repaid the full amount of principal, fees, commissions and expenses due under the Secured Loan Agreement on the Term A7 Loan (as defined herein), then subject to a grace period for administrative or technical delay, the Interest Amount on the Class A7 Notes for each Interest Period from such date will accrue at an annual rate equal to the sum of Euribor for three month deposits in euro (determined in accordance with Condition 4(d)) plus a margin which will be equal to 2.63 per cent. per annum.

With respect to the Class A6 Notes:

In the event that on the Interest Payment Date falling in July 2013 (the '***Term A6 Expected Maturity Date***'), the Borrowers have not repaid the full amount of principal, fees, commissions and expenses due under the Secured Loan Agreement on the Term A6 Loan (as defined herein), then subject to a grace period for administrative or technical delay, the Interest Amount on the Class A6 Notes for each Interest Period from such date will accrue at an annual rate equal to the sum of Euribor for three month deposits in euro (determined in accordance with Condition 4(d)) plus a margin which will be equal to 2.00 per cent. per annum.

See further the sections *Expected Maturity, Security and Application of Funds, Summary of Principal Documents – Secured Loan Agreement – Non-Payment on Expected Maturity Date Event* below.

Failure to Pay Principal:

In the event that on the Interest Payment Date falling in July 2015, the Borrowers have not repaid the full amount of principal, fees, commissions and expenses due under the Secured Loan Agreement on the Term A4 Loan and/or Term A6 Loan and/or the Term A7 Loan and/or the Term A8 Loan (as defined herein), then subject to a grace period for administrative or technical delay, (i) the Interest Amount on the Class A4 Notes for each Interest Period from such date will accrue at an annual rate equal to the

sum of Euribor for three months deposits in euro (determined in accordance with Condition 4(d)) plus a margin which will be equal to 1.28 per cent. per annum, (ii) the Interest Amount on the Class A6 Notes for each Interest Period will accrue at an annual rate equal to the sum of Euribor for three months plus a margin which will be equal to 2.00 per cent. per annum, (iii) the Interest Amount on the Class A7 Notes for each Interest Period will accrue at an annual rate equal to the sum of Euribor for three months plus a margin which will be equal to 2.63 per cent. per annum and (iv) the Interest Amount on the Class A8 Notes for each Interest Period from such date will accrue at an annual rate equal to the sum of Euribor for three months deposits in euro (determined in accordance with Condition 4(d)) plus a margin which will be equal to 1.75 per cent. per annum. In addition to an increase, or continuation of such increase, in the Interest Amount payable by the Issuer on the relevant class of Notes, further consequences will apply as set out in the Secured Loan Agreement. See further the sections *Security and Application of Funds, Summary of Principal Documents – Secured Loan Agreement – Failure to Pay Principal Event* below.

Failure to Pay Interest: In the event that the Borrowers fail to pay interest due from them with respect to a particular Term Advance on any date upon which payment was due, the Issuer may subject to the terms of the Liquidity Facility Agreement, make a drawing under the Liquidity Facility Agreement to pay amounts due and payable under the Notes. In addition, further consequences will apply as set out in the Secured Loan Agreement. See further the section *Summary of Principal Documents – Secured Loan Agreement – Failure to Pay Interest Event* below.

Mandatory Redemption: On the occurrence of a Failure to Pay Principal Event in respect of any class of Notes or a Borrower Event of Default (each as defined herein), but prior to the enforcement of the security for the Notes (other than on any Interest Payment Date on which the Notes are to be redeemed in full), the Issuer shall apply an amount equal to:

(a) the Class A4 Note Redemption Available Amount (as defined in Condition 6(c) of the Conditions) (if any) on that Interest Payment Date in redeeming the Class A4 Notes pro rata to the Principal Amount Outstanding (as defined in Condition 6(c)

of the Conditions) in respect of the Class A4 Notes;

(b) the Class A6 Note Redemption Available Amount (as defined in Condition 6(c) of the Conditions) (if any) on that Interest Payment Date in redeeming the Class A6 Notes pro rata to the Principal Amount Outstanding (as defined in Condition 6(c) of the Conditions) in respect of the Class A6 Notes;

(c) the Class A7 Note Redemption Available Amount (as defined in Condition 6(c) of the Conditions) (if any) on that Interest Payment Date in redeeming the Class A7 Notes pro rata to the Principal Amount Outstanding (as defined in Condition 6(c) of the Conditions) in respect of the Class A7 Notes; and

(d) the Class A8 Note Redemption Available Amount (as defined in Condition 6(c) of the Conditions) (if any) on that Interest Payment Date in redeeming the Class A8 Notes pro rata to the Principal Amount Outstanding (as defined in Condition 6(c) of the Conditions) in respect of the Class A8 Notes.

The redemption amounts under the Notes will be equal to the amounts received by the Issuer from the Borrowers in repayment of the principal amount outstanding in respect of the Term Advances (as defined herein) corresponding to that class of Notes. Following a Non-Payment on the Expected Maturity Date Event, any principal prepayment by a Borrower must be applied to repay the Term Loan with the shortest expected maturity until repaid in full, the then next shortest maturity until, finally, the Term A4 Loan is repaid in full. See further the section *Summary of Principal Documents – Secured Loan Agreement* below.

Accordingly, in the event of a Non-Payment on the Expected Maturity Date Event (as defined herein) in respect of the Notes, the Issuer shall redeem the Notes in order of priority such that the class of Notes with the shortest Expected Maturity Date (as defined below) is in each case redeemed first.

Final Redemption: Unless previously redeemed as provided above and below, the Class A8 Notes will mature on the Interest Payment Date falling in July 2017 (the '***Final Maturity Date***').

Optional Redemption:	The Class A4 Notes and the Class A8 Notes may be prepaid on any Interest Payment Date, the Class A6 Notes may be prepaid on any Interest Payment Date from and including the Interest Payment Date falling in July 2012 and the Class A7 Notes may be prepaid on any Interest Payment Date from and including the Interest Payment Date falling in July 2014, provided certain conditions are satisfied. Such prepayment is, *inter alia*, subject to (i) the Conditions and (ii) prepayment by the Borrowers of the relevant Advance corresponding to the relevant class of Notes which they may do, in whole or in part, with respect to the Class A4 Advance and the Class A8 Advance on any Interest Payment Date, and with respect to the Class A6 Advance, on any Interest Payment Date from and including the Interest Payment Date falling in July 2012, and with respect to the Class A7 Advance, on any Interest Payment Date from and including the Interest Payment Date falling in July 2014. Any amounts received by the Issuer under the relevant Advance under the Secured Loan Agreement shall be used to redeem the Notes pursuant to the Issuer Priority of Payments.
Redemption for Taxation:	In the event of (i) certain tax changes affecting the Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction), (ii) it becoming unlawful for the Issuer to advance moneys or keep outstanding any moneys as advanced to the Borrowers under the Secured Loan Agreement, or (iii) certain tax changes affecting the amounts paid or to be paid to the Issuer under the Secured Loan Agreement, including that any of the Borrowers are obliged or will be obliged to make any withholding or deduction from payments of interest and/or principal under the Secured Loan Agreement, the Issuer may (but is not obliged to) redeem all, but not some only, of the Notes in whole but not in part, at their Principal Amount Outstanding (as defined in Condition 6(c) of the Conditions) together with accrued interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, provided that the Security Trustee is satisfied that the Issuer will have on the relevant date of redemption sufficient funds to meet any costs and expenses ranking in priority to or *pari passu* with the Notes and to make such redemption of the Notes in full.

Method of Payment: For so long as the Class A8 Notes are represented by the Class A8 Global Note, payments of principal and interest will be made in euro to the Common Safekeeper for Euroclear and/or Clearstream Luxembourg, for the credit of the respective accounts of the Class A8 Noteholders.

Use of Proceeds: The proceeds of the issue of the Class A8 Notes will, on or around the Closing Date, be applied by the Issuer in making the Term A8 Advance (as defined herein) to the Borrowers pursuant to the terms of the Secured Loan Agreement. The Borrowers will use the proceeds, in turn, for the repayment of each of the Term A3 Loan and the Term A5 Loan.

Further Issues: The Issuer will be entitled (but not obliged) at its option from time to time on any date, without the consent of the Noteholders, to raise further funds by the creation of an issue of (i) Further Class A4 Notes (the '***Further Class A4 Notes***') which will carry the same terms and conditions in all respects (save with respect to the first Interest Period) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class A4 Notes and/or (ii) Further Class A6 Notes (the '***Further Class A6 Notes***') which will carry the same terms and conditions in all respects (save with respect to the first Interest Period) as, and so that the same shall be consolidated and form a single series with, the Class A6 Notes and/or (iii) Further Class A7 Notes (the '***Further Class A7 Notes***') which will carry the same terms and conditions in all respects (save with respect to the first Interest Period) as, and so that the same shall be consolidated and form a single series with, the Class A7 Notes and/or (iv) Further Class A8 Notes (the '***Further Class A8 Notes***') which will carry the same terms and conditions in all respects (save with respect to the first Interest Period) as, and so that the same shall be consolidated and form a single series with, the Class A8 Notes. It shall be a condition precedent to the issue of any Further Notes (as defined herein), *inter alia*, that:

(a) the aggregate principal amount of all Further Notes to be issued on such date shall not be less than €50,000,000;

(b) such Further Notes shall rank no more than *pari passu* with the Notes then outstanding;

(c) the Further Notes shall have the same benefit of the security granted to the Security Trustee in respect of the Notes under the terms of the

Security Agreement;

(d) the Rating Agencies confirm in writing to the Security Trustee that the existing classes of Notes will not be downgraded as a result of the proposed issue of the Further Notes or as a result of the manner of application of the proceeds of such Further Notes by way of further term advances in accordance with the terms of the Secured Loan Agreement; and

(e) no Issuer Event of Default or Potential Issuer Event of Default has occurred and is continuing unremedied or unwaived.

New Issues: The Issuer will be entitled (but not obliged) at its option from time to time on any date, without the consent of the Noteholders, to raise further funds by the creation and issue of further notes of a new class (the '***New Notes***') which will be in bearer form and which may rank *pari passu* with the Notes and which carry terms which differ from the Notes and do not form a single series with either of them. It shall be a condition precedent to the issue of New Notes, *inter alia*, that:

(a) the aggregate principal amount of all New Notes to be issued on such date shall not be less than €50,000,000;

(b) such New Notes shall rank no more than *pari passu* with the Notes then outstanding;

(c) the New Notes shall have the same benefit of the security granted to the Security Trustee in respect of the Notes under the terms of the Security Agreement;

(d) the Rating Agencies confirm in writing to the Security Trustee that the existing classes of Notes will not be downgraded as a result of the proposed issue of New Notes or as a result of the manner of application of the proceeds of such New Notes by way of new term advances in accordance with the terms of the Secured Loan Agreement; and

(e) no Issuer Event of Default or Potential Issuer Event of Default has occurred and is continuing unremedied or unwaived.

Expected Maturity: Repayment of the Term Advances on the Interest Payment Date falling in July 2015 (the '***Loan Maturity Date***') is expected to be funded through refinancing.

	Notwithstanding the foregoing, the Borrowers are incentivised, pursuant to the Secured Loan Agreement, to repay the Term A6 Advance, the Term A7 Advance and the Term A8 Advance prior to the Loan Maturity Date by their respective Term Expected Maturity Date all proceeds of which will be applied by the Issuer to redeem the Class A6 Notes, the Class A7 Notes and the Class A8 Notes, respectively. The Term A4 Advance will be repaid on the Loan Maturity Date, all proceeds of which will be applied by the Issuer to redeem the Class A4 Notes. The maturity dates of the Notes are therefore expected to be, (i) in the case of the Class A6 Notes, the Interest Payment Date falling in July 2013, (ii) in case of the Class A8 Notes, the Interest Payment Date falling in October 2013, (iii) in case of the Class A7 Notes, the Interest Payment Date falling in July 2014 and (iv) in case of the Class A4 Notes, the Interest Payment Date falling in July 2015 (in each case with respect to the relevant Class of Notes referred to as the '***Expected Maturity Date***' of such Class of Notes). See further the sections *Summary of Principal Documents – Secured Loan Agreement – Non-Payment on Expected Maturity Date Event* below and Condition 6(b) of the Conditions.
Withholding Tax:	All payments of, or in respect of, principal of and interest on the Class A8 Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Class A8 Noteholders and shall not pay any additional amounts to such Class A8 Noteholders.
Information to Class A8 Noteholders:	The Issuer shall make, *inter alia* (i) the Annual Reports, (ii) the Quarterly Reports and (iii) the Borrower Compliance Certificates available for inspection by the Class A8 Noteholders as further set out in paragraph 7 of section *General Information*.
Listing:	Application has been made for the Class A8 Notes to be listed on NYSE Euronext, Amsterdam. Listing of the Class A8 Notes is expected to take place on or around the Closing Date.
Rating:	It is a condition precedent to issuance that the Class A8

Notes, on issue, be assigned a rating of AAAsf by Fitch, Aaa(sf) by Moody's and AAA(sf) by S&P.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EEA before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

On the date of this Prospectus, each of Fitch, Moody's and S&P is established in the EEA and registered under the CRA Regulation.

Governing Law: The Class A8 Notes and this Prospectus will be governed by and construed in accordance with the laws of the Netherlands.

Security and Application of Funds

Security for the Notes: The Class A8 Notes will be secured pursuant to the Security Agreement.

Under the terms of the Original Security Agreement, the Issuer has entered on 18 July 2005 into an issuer pledge agreement (the '***Original Issuer Pledge Agreement***') with the Security Trustee and created, to the extent possible, a disclosed first priority pledge (*openbaar pandrecht, eerste in rang*), and otherwise a non-disclosed first priority pledge, in favour of the Security Trustee over, *inter alia*, (i) its rights against the Borrowers and the Fund Manager under the Original Secured Loan Agreement, and (ii) its rights under the other Original Relevant Documents (as defined herein), including the Issuer's rights to the amounts standing to the credit of its bank accounts (the '***Original Issuer Pledge***').

The Issuer and the Security Trustee entered on 20 April 2007 in connection with the issue of the Class A5 Notes into the supplemental issuer pledge agreement (the '***2007 Supplemental Issuer Pledge Agreement***' and the pledge

created thereunder the '***2007 Supplemental Issuer Pledge***'). The Issuer and the Security Trustee entered 21 July 2008 in connection with the issue of the Class A6 Notes into the supplemental issuer pledge agreement (the '***2008 Supplemental Issuer Pledge Agreement***" and the pledge created thereunder the '***2008 Supplemental Issuer Pledge***'). The Issuer and the Security Trustee entered 20 April 2010 in connection with the issue of the Class A7 Notes into the supplemental issuer pledge agreement and on 1 July 2010 into an accession letter agreement (together with the supplemental issuer pledge agreement, the '***2010 Supplemental Issuer Pledge Agreement***" and the pledge created thereunder the '***2010 Supplemental Issuer Pledge***').

Under the terms of the Security Agreement, the Issuer will enter into a supplemental issuer pledge agreement (the '***2012 Supplemental Issuer Pledge Agreement***' and together with the Original Issuer Pledge Agreement, the 2007 Supplemental Issuer Pledge Agreement, the 2008 Supplemental Issuer Pledge Agreement and the 2010 Supplemental Issuer Pledge Agreement, the '***Issuer Pledge Agreement***') with the Security Trustee on the Closing Date and will create, to the extent possible and to the extent not already pledged pursuant to the Original Issuer Pledge Agreement, the 2007 Supplemental Issuer Pledge Agreement, the 2008 Supplemental Issuer Pledge Agreement or the 2010 Supplemental Issuer Pledge Agreement, a disclosed first priority pledge (*openbaar pandrecht, eerste in rang*), and otherwise a non-disclosed first priority pledge, in favour of the Security Trustee over, *inter alia*, its rights under the New Relevant Documents (as defined herein) including the Issuer's rights to the amounts standing to the credit of its bank accounts (the '***2012 Supplemental Issuer Pledge***', and together with the Original Issuer Pledge, the 2007 Supplemental Issuer Pledge, the 2008 Supplemental Issuer Pledge and the 2010 Supplemental Issuer Pledge, the '***Issuer Pledge***'). Furthermore, the Issuer will undertake in the Issuer Pledge Agreement to pledge or create any other security from time to time on each and any of its current and future assets to secure, *inter alia*, its obligations under the Class A8 Notes.

In order to create a valid, enforceable security interest in favour of the Security Trustee under the laws of the Netherlands, the undertakings, obligations and liabilities of the Issuer to the Security Trustee are expressed to be

separate and independent obligations from the corresponding principal obligations which the Issuer has to the Beneficiaries pursuant to the Relevant Documents (the '***Issuer Principal Obligations***'). This is referred to as the '***Issuer Parallel Debt***' and represents the Security Trustee's own claims to receive payment of an amount not exceeding the total amount of the Issuer Principal Obligations and the term '***Issuer Secured Obligations***' used herein shall mean the obligations of the Issuer to pay the Issuer Parallel Debt in respect of the Issuer Principal Obligations.

The Class A8 Noteholders will indirectly have the benefit of security created by the DRFs and the Fund Manager in favour of the Security Trustee pursuant to the Security Agreement.

Upon the occurrence of a Failure to Pay Interest Event or a Failure to Refinance Event, a Failure to Pay Principal Event (and in each case, which is continuing) or a Borrower Event of Default, as described in the Secured Loan Agreement (see further the section *Summary of Principal Documents – Secured Loan Agreement* below), whichever is earlier and at any time thereafter, each of the Borrowers and the Fund Manager has agreed to immediately create in favour of the Security Trustee, in order to secure the Borrower Secured Obligations (defined below) and (therefore indirectly the Issuer Secured Obligations), first ranking mortgage rights (*hypotheek, eerste rang*) over sufficient Properties (as defined herein) having a Book Value (as defined herein) of 150 per cent. of the Borrower Principal Obligations (as defined below). Each of the Borrowers has granted a Mortgage Power of Attorney in favour of the Security Trustee pursuant to which the Security Trustee may, in the circumstances described above, sign and execute a notarial deed of mortgage in order to grant the right of mortgage as described above. Furthermore, in case of the occurrence of (i) a Failure to Pay Interest Event or Failure to Pay Principal Event and (ii) a Borrower Event of Default, the Security Trustee may dismiss and/or appoint members of the management board of any Borrower.

As soon as possible after the occurrence of (i) a Failure to Pay Interest Event and/or a Failure to Pay Principal Event and (ii) a Borrower Event of Default, the Security Trustee will provide notice hereto at the Chamber of Commerce reflecting that as a result of the occurrence of (i) a Failure

to Pay Interest Event and/or a Failure to Pay Principal Event and (ii) a Borrower Event of Default, the right to dismiss and/or appoint members of the management board of the DRFs is with the Security Trustee. A further notice will be provided to the Chamber of Commerce if (i) the Failure to Pay Interest Event and/or a Failure to Pay Principal Event and (ii) the Borrower Event of Default is not continuing.

Upon the occurrence of a Non-Payment on the Expected Maturity Date Event, a Failure to Refinance Event, a Failure to Pay Principal Event or a Failure to Pay Interest Event (in each case, which is continuing) or a Borrower Event of Default, each of the Borrowers and the Fund Manager has agreed to create account pledges in favour of the Security Trustee (the '***Account Pledges***') (see further the section *Summary of Principal Documents – Secured Loan Agreement* below).

Upon the occurrence of a Fund Unwind Event, the Borrowers have agreed to open the Repayment Account (as defined herein) and to create a disclosed right of pledge over the Repayment Account in favour of the Security Trustee (the '***Repayment Account Pledge***') (See further the section *Summary of Principal Documents – Secured Loan Agreement* below).

As described above, in order to create a valid, enforceable security interest in favour of the Security Trustee under the laws of the Netherlands, the undertakings, obligations and liabilities of the Borrowers to the Security Trustee are expressed to be separate and independent obligations from the corresponding principal obligations which the Borrowers have to the Issuer pursuant to the Relevant Documents (the '***Borrower Principal Obligations***'). This is referred to as the '***Borrower Parallel Debt***' and represents the Security Trustee's own claims to receive payment of an amount not exceeding the total amount of the Borrower Principal Obligations and the term '***Borrower Secured Obligations***' used herein shall mean the obligations of the Borrowers to pay the Borrower Parallel Debt in respect of the Borrower Principal Obligations.

Certain other obligations of the Issuer (including amounts owing to the Security Trustee, the Liquidity Facility Provider and the other Beneficiaries) shall also be secured (indirectly) by the security interests referred to above.

The Security Agreement, the Issuer Pledge Agreement, the Mortgages, the Mortgage Powers of Attorney, the Repayment Account Pledge Agreement and the Account Pledge Agreements (as defined herein) are or, as the case may be, will be governed by Netherlands law.

Issuer Priority of Payments: Prior to occurrence of an Issuer Event of Default (as defined herein), the amounts standing to the credit of the Issuer Account on each Interest Payment Date will comprise of:

(a) the payments received by the Issuer on such Interest Payment Date into the Issuer Account pursuant to the terms of the Secured Loan Agreement;

(b) interest received on the Issuer Account and any other account that the Issuer may have or otherwise from Eligible Investments (as defined herein) which it has the option to invest in under the Bank Account and Cash Management Agreement;

(c) the proceeds of any drawing, if any, made under the Liquidity Facility Agreement on or prior to such Interest Payment Date; and

(d) the amounts, if any, paid by the Hedging Providers under the Forward Swaps and the Supplemental Swaps as applicable, on or prior to such Interest Payment Date.

Prior to the security under any or all of the Security Documents (as defined herein) having become enforceable and the Security Trustee having taken steps to enforce such security, amounts standing to the credit of the Issuer Account shall be applied in the following order of priority (the '***Issuer Pre-enforcement Priority of Payments***') set out in the Trust Deed (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(a) *first*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof:

(i) the fees or other remuneration and indemnity payments (if any) payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by it under the provisions of the Security Agreement and any of the other Relevant Documents

(as defined herein), together with interest thereon as provided for therein;

(ii) the fees and expenses of the Reference Agent and the Paying Agents incurred under the Paying Agency Agreement;

(iii) the fees and expenses of the ATC Entities under the Corporate Services Agreements;

(iv) any amounts due in respect of the Issuer's liability to the tax authorities (insofar as payment cannot be satisfied out of profits);

(v) the fees and expenses of any legal advisers, accountants and auditors appointed by the Issuer; and

(vi) the fees and expenses of the Rating Agencies;

(b) *secondly*, in or towards satisfaction of all amounts of principal, interest (including Mandatory Costs (as defined in the Liquidity Facility Agreement)), commitment fee, costs, expenses and other amounts from time to time due or accrued but unpaid to the Liquidity Facility Provider under the terms of the Liquidity Facility Agreement, other than any additional amounts in respect of increased costs (including Mandatory Costs (as defined in the Liquidity Facility Agreement)) and tax gross up payments in respect of withholding taxes payable to the Liquidity Facility Provider in excess of 0.20 per cent. per annum on the maximum amount available to be drawn under the Liquidity Facility Agreement from time to time (such additional amounts being referred to as the '***Liquidity Subordinated Amounts***');

(c) *thirdly*, in or towards satisfaction of, the fees, costs, expenses and liabilities of the Account Bank under the Bank Account and Cash Management Agreement;

(d) *fourthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof (i) all amount of interest due or accrued but unpaid under the Notes (other than that proportion of the interest payable on the Notes calculated by applying the Step-Up Margin (as defined in Condition 4(c) of the Conditions (the '***Step-Up Amounts***')) and all

accrued but unpaid Step-Up Amounts (if any) and interest thereon); (ii) all amounts due to the Hedging Providers under the Hedging Agreements (other than any Hedging Subordinated Amounts (as defined below)); and (iii) any Early Note Prepayment Compensation Amounts (as defined below) due under the Notes pursuant to an optional redemption referred to under Condition 6(e) of the Conditions (if any);

(e) *fifthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, all amounts of principal due under the Notes which shall correspond to the Advance repaid by the Borrowers pursuant to the Secured Loan Agreement;

(f) *sixthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, the Step-Up Amounts (as defined in (d) above), then due and payable;

(g) *seventhly*, in or towards satisfaction of, *pro rata*, any amounts due or overdue (if any) to third parties under obligations incurred in the course of the Issuer's business not paid under (a) above including amounts due or accrued but unpaid to any party under the Relevant Documents (other than as referred to in (a) to (f) above and (h) and (i) below);

(h) *eighthly*, in or towards satisfaction of, the Liquidity Subordinated Amounts, due under the Liquidity Facility Agreement to the Liquidity Facility Provider;

(i) *ninthly*, in or towards satisfaction of, *pro rata*, all amounts due and payable to a Hedging Provider under the Hedging Agreements with such Hedging Provider in circumstances where such Hedging Provider is in default under such Hedging Agreement (the '***Hedging Subordinated Amounts***'); and

(j) *tenthly*, any surplus to the Borrowers in consideration for the novation and benefit of the cap and swaption transactions, as the case may be, pursuant to the Novation and Amendment Deed, the Class A7 Swaption Novation Deed and the Class A8 Novation Deed.

Payments may only be made out of the Issuer Account other than on any Interest Payment Date to satisfy liabilities set out in paragraphs (a) and (g) above.

To the extent that the Issuer's funds are insufficient to make payments under items (a) to (d) above, on the relevant Interest Payment Date or in the case of (a), on any Business Day, the Issuer may, in certain circumstances, make a drawing under the Liquidity Facility (as defined herein) or, to the extent credited thereto, the Liquidity Standby Reserve Account (as defined herein). See further the section *Summary of Principal Documents – Liquidity Facility Agreement* below.

Following the security under the Security Documents having become enforceable and the Security Trustee having taken steps to enforce such security, amounts standing to the credit of the Issuer Account shall be applied in the following order of priority (the '***Issuer Post-enforcement Priority of Payments***' and together with the Issuer Pre-enforcement Priority of Payments, the '***Issuer Priority of Payments***' as the context may require) set out in the Trust Deed (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(a) *first*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof:

(i) the fees or other remuneration and indemnity payments (if any) payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by it under the provisions of the Security Agreement and any of the other Relevant Documents, together with interest thereon as provided for therein;

(ii) the fees and expenses of the Paying Agents and the Reference Agent incurred under Paying Agency Agreement;

(iii) the fees and expenses of the ATC Entities under the Corporate Services Agreements;

(iv) the fees and expenses of any legal advisers, accountants and auditors appointed by the Issuer; and

(v) the fees and expenses of the Rating Agencies;

(b) *secondly*, in or towards satisfaction of, all amounts of principal (including Mandatory Costs, as defined in the Liquidity Facility Agreement), interest, commitment fee, costs, expenses and other amounts from time to time due or accrued but unpaid to the Liquidity Facility Provider under the terms of the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts);

(c) *thirdly*, in or towards satisfaction, of the fees, costs, expenses and liabilities of the Account Bank under the Bank Account and Cash Management Agreement;

(d) *fourthly*, in or towards satisfaction of, *pro rata*, all amounts due to the Hedging Providers under the Hedging Agreements (other than any Hedging Subordinated Amounts);

(e) *fifthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof (i) all amounts of interest due or accrued but unpaid under the Notes (other than any and all Step-Up Amounts and interest thereon); and (ii) any Early Note Prepayment Compensation Amounts (as defined below) due under the Notes pursuant to an optional redemption referred to under Condition 6(e) of the Conditions (if any);

(f) *sixthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, all amounts of principal due under the Notes;

(g) *seventhly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, of Step-Up Amounts (if any) then due and payable;

(h) *eighthly*, in or towards satisfaction of, any Liquidity Subordinated Amounts under the Liquidity Facility Agreement to the Liquidity Facility Provider;

(i) *ninthly*, in or towards satisfaction of, *pro rata*, any Hedging Subordinated Amounts under a Hedging Agreement to the relevant Hedging Provider;

(j) *tenthly*, in or towards satisfaction of, *pro rata*, any amounts due or overdue (if any) to third parties (including any amounts due to the tax authorities) under obligations incurred in the course of the Issuer's business not paid under (a) above

including amounts due or accrued but unpaid to any party under the Relevant Documents (other than as referred to in (a) to (i) above); and

(k) *eleventhly*, any surplus to the Borrowers in consideration for the novation and benefit of the cap and swaption transactions, as the case may be, pursuant to the Novation and Amendment Deed, the Class A7 Swaption Novation Deed and the Class A8 Novation Deed.

Main Transaction Documents

Secured Loan Agreement:

The net issue proceeds of the Class A8 Notes will, on or around the Closing Date, be applied by the Issuer for the purpose of making the Term A8 Advance (as defined herein) to the Borrowers pursuant to the terms of the Secured Loan Agreement in an amount equal to the aggregate principal amount of the Class A8 Notes. See further the section *Summary of Principal Documents – Secured Loan Agreement – The Term Facilities* below.

If the Class A8 Notes are not fully repaid on their Expected Maturity Date, specific provisions will apply to incentivise the Borrowers to repay the Class A8 Term Advance in order to redeem the Notes.

Each of DRF I, DRF II, DRF III and the Fund Manager will be required to provide the Issuer and the Security Trustee with the benefit of certain covenants, representations and warranties (including those relating to the disposal of assets and substitute assets). See further the section *Summary of Principal Documents – Secured Loan Agreement* below.

Further Term Advances (as defined herein) and New Term Advances (as defined herein) may be made pursuant to the Secured Loan Agreement as described in the section *Summary of Principal Documents – Secured Loan Agreement – Further Term Facilities and New Term Facilities* below.

Hedging Agreements:

The floating rate interest obligations under the Class A4 Notes and the Class A6 Notes will be hedged under a Forward Swap up to (and including) the Expected Maturity Date of the Class A4 Notes and the Class A6 Notes (respectively, the '***Forward Swaps Expiry Date***', with respect to the Class A4 Forward Swap, the '***Class A4 Forward Swap Expiry Date***' and with respect to the Class A6 Supplemental Forward Swap, the '***Class A6***

Supplemental Forward Swap Expiry Date').

The terms and amount of hedging provided under a Forward Swap and the Class A6 Supplement Forward Swap correspond with the terms and the amounts of the Class A4 Notes (the Forward Swaps in relation to the Class A4 Notes, the '***Class A4 Forward Swap***') and the Class A6 Notes (respectively) to protect the Issuer against any interest rate risk arising in respect of its floating rate interest obligations under the Class A4 Notes and the Class A6 Notes during the period up to (and including) the relevant Forward Swaps Expiry Date. Following the expiry of the Forward Swaps, the floating rate interest obligations under the Class A4 Notes and the Class A6 Notes will not be hedged by any hedging arrangements and the Borrowers shall be obliged to pay interest due under the Secured Loan Agreement at a floating rate and which the Issuer shall apply to pay interest due on the Class A4 Notes and the Class A6 Notes unless and until the Borrowers procure further hedging arrangements. (See further the sections *Overview – Issuer Priority of Payments* and *Summary of Principal Documents – The Original Hedging Agreement* and *The Supplemental Hedging Agreements*).

The floating rate interest obligations under the Class A7 Notes will be hedged up to (and including) the Expected Maturity Date of the Class A7 Notes (the '***Class A7 Swap Expiry Date***') under the Class A7 Supplemental Forward Swap. The terms and amount of hedging provided under the Class A7 Supplemental Forward Swap will correspond with the terms and the amounts of the Class A7 Notes to protect the Issuer against any interest rate risk arising in respect of its floating rate interest obligations under the Class A7 Notes. Following the expiry of the Class A7 Supplemental Forward Swap, the floating rate interest obligations under the Class A7 Notes will not be hedged by any hedging arrangements and the Borrowers shall be obliged to pay interest due under the Secured Loan Agreement at a floating rate and which the Issuer shall apply to pay interest due on the Class A7 Notes unless and until the Borrowers procure further hedging arrangements. (See further the sections *Overview – Issuer Priority of Payments* and *Summary of Principal Documents – The Supplemental Hedging Agreements*).

The floating rate interest obligations under the Class A8 Notes will be hedged (i) in the period from the Closing

Date up to (and including) 20 July 2012, under forward swap transactions entered into in connection with the Class A3 Notes under the Original Hedging Agreement and the Class A5 Notes under the 2007 Supplemental Hedging Agreement until the scheduled termination date of such forward swap transactions, being 20 July 2012 and (ii) in the period from 20 July 2012 up to (and including) the Expected Maturity Date of the Class A8 Notes (the '***Class A8 Swap Expiry Date***') under the Class A8 Supplemental Forward Swap. The terms and amount of hedging provided under the Class A8 Supplemental Forward Swap will correspond with the terms and the amounts of the Class A8 Notes to protect the Issuer against any interest rate risk arising in respect of its floating rate interest obligations under the Class A8 Notes. Following the expiry of the Class A8 Supplemental Forward Swap, the floating rate interest obligations under the Class A8 Notes will not be hedged by any hedging arrangements and the Borrowers shall be obliged to pay interest due under the Secured Loan Agreement at a floating rate and which the Issuer shall apply to pay interest due on the Class A8 Notes unless and until the Borrowers procure further hedging arrangements. (See further the sections *Overview – Issuer Priority of Payments* and *Summary of Principal Documents – The Supplemental Hedging Agreements*)

Liquidity Facility Agreement: On 15 July 2008, the Issuer has entered into the Liquidity Facility Agreement (as defined above), which will be amended and restated on the Closing Date. Pursuant to the Liquidity Facility Agreement, the Liquidity Facility Provider will continue to make available to the Issuer, a committed facility of a maximum aggregate amount of €99,750,000 (subject to a *pro rata* reduction in connection with a redemption of the Notes) for a term of 364 days (the '***Liquidity Facility***'). The Liquidity Facility will be available to the Issuer on any Interest Payment Date to meet certain of its payment obligations falling due on such date, including interest payable on the Notes, to the extent that it receives insufficient funds for that purpose from the Borrowers pursuant to the Secured Loan Agreement. See further the section *Summary of Principal Documents – Liquidity Facility Agreement* below.

Corporate Services Agreements: On 18 July 2005 the Issuer, the Shareholder and the Security Trustee entered into the Corporate Services Agreements with the relevant ATC Entity. Pursuant to the Corporate Services Agreements, the relevant ATC Entity

undertakes to act and continue to act as Director of the Issuer, the Shareholder and the Security Trustee, respectively, and to perform certain services in connection therewith. The relevant ATC Entity is, with regard to the exercise of its powers and rights as Director bound by the restrictions set out in the Corporate Services Agreements that are intended to ensure that the powers and rights are exercised in the interest of the Issuer, the Shareholder and the Security Trustee and the parties involved in this transaction. The Security Trustee is a party to the Corporate Services Agreements with the Issuer and the Shareholder for, *inter alia*, the better preservation and enforcement of its rights under the Security Agreement.

Bank Account and Cash Management Agreement:

On 18 July 2005, the Issuer, the Security Trustee and the Account Bank entered into the Bank Account and Cash Management Agreement pursuant to which the Account Bank holds the Issuer Account and will, when appropriate, hold the Liquidity Standby Reserve Account, on behalf of the Issuer. The Account Bank shall further perform certain services in relation to these accounts and, subject to the terms of the Bank Account and Cash Management Agreement, may, from time to time, invest amounts standing to the credit of the accounts in Eligible Investments.

SUMMARY OF PRINCIPAL DOCUMENTS

The following is a summary of certain provisions of the principal documents relating to the transactions described herein and is qualified in its entirety by reference to the detailed provisions of the relevant documents.

Secured Loan Agreement

The Original Secured Loan Agreement was entered into on 18 July 2005 and amended and restated on 20 April 2007, amended on 30 June 2008, amended and restated on 15 July 2008, amended on 24 July 2009 in connection with the 2009 Amendment Agreement, amended and restated on 16 April 2010 and most recently amended and restated as of 2 February 2012 pursuant to the 2012 Conversion Amendment and Restatement Agreement. The Secured Loan Agreement will be entered into on or around the Closing Date between the Issuer, the Fund Manager, the Borrowers and the Security Trustee.

***The Term Facilities*:** Under the Original Secured Loan Agreement the following facilities were made available to the Borrowers:

(a) on the Initial Closing Date:

(i) a secured term loan facility in an aggregate principal amount of €200,000,000 (the '***Term A1 Facility***', the advance thereunder, the '***Term A1 Advance***' and all amounts outstanding under such Term A1 Facility, the '***Term A1 Loan***') (the Term A1 Loan was repaid in full on the 2008 Closing Date and, therefore, any reference to the Term A1 Facility, the Term A1 Advance and the Term A1 Loan has been deleted from the Secured Loan Agreement);

(ii) a secured term loan facility in an aggregate principal amount of €400,000,000 (the '***Term A2 Facility***', the advance thereunder, the '***Term A2 Advance***' and all amounts outstanding under such Term A2 Facility, the '***Term A2 Loan***') (the Term A2 Loan was repaid in full on the 2010 Closing Date and, therefore, any reference to the Term A2 Facility, the Term A2 Advance and the Term A2 Loan has been deleted from the Secured Loan Agreement);

(iii) a secured term loan facility in an aggregate principal amount of €400,000,000 (the '***Term A3 Facility***', the advance thereunder, the '***Term A3 Advance***' and all amounts outstanding under such Term A3 Facility, the '***Term A3 Loan***') (the Term A3 Loan is expected to be repaid in full on the Closing Date and, therefore, any reference to the Term A3 Facility, the Term A3 Advance and the Term A3 Loan has been deleted from the Secured Loan Agreement); and

(iv) a secured term loan facility in an aggregate principal amount of €300,000,000 (the '***Term A4 Facility***', the advance thereunder, the '***Term***

A4 Advance', and all amounts outstanding under such Term A4 Facility the '***Term A4 Loan***');

(b) on the 2007 Closing Date a secured term loan facility in an aggregate principal amount of €350,000,000 (the '***Term A5 Facility***', the advance thereunder, the '***Term A5 Advance*** ' and all amounts outstanding under the Term A5 Facility, the '***Term A5 Loan***') (the Term A5 Loan is expected to be repaid in full on the Closing Date and, therefore, any reference to the Term A5 Facility, the Term A5 Advance and the Term A5 Loan has been deleted from the Secured Loan Agreement);

(c) on the 2008 Closing Date a secured term loan facility in an aggregate principal amount of €150,000,000 (the '***Term A6 Facility***', the advance thereunder, the '***Term A6 Advance***' and all amounts outstanding under the Term A6 Facility, the '***Term A6 Loan***'); and

(d) on the 2010 Closing Date a secured term loan facility in an aggregate principal amount of €350,000,000 (the ***'Term A7 Facility'***, the advance thereunder, the ***'Term A7 Advance***' and all amount outstanding under the Term A7 Facility, the ***'Term A7 Loan***', and the Term A7 Facility together with the Term A1 Facility (where relevant), the Term A2 Facility (where relevant), the Term A3 Facility (where relevant), the Term A4 Facility, the Term A5 Facility (where relevant) and the Term A6 Facility shall herein be referred to as the '***Initial Term Advances***' and the Term A7 Loan together with the Term A1 Loan (where relevant), the Term A2 Loan (where relevant), the Term A3 Loan (where relevant), the Term A4 Loan, the Term A5 Loan (where relevant) and the Term A6 Loan shall herein be referred to as the '***Initial Term Loans***') and the Term A7 Facility together with the Term A1 Facility (where relevant), the Term A2 Facility (where relevant), the Term A3 Facility (where relevant), the Term A4 Facility, the Term A5 Facility (where relevant) and the Term A6 Facility shall herein be referred to as the '***Initial Term Facilities***').

The Secured Loan Agreement provides that, in addition to the Initial Term Facilities and subject to the terms and conditions set out therein, the Issuer will make available to the Borrowers on the Closing Date a secured term loan in an aggregate amount of €625,000,000 which will be equal to the aggregate net proceeds from the issue of the Class A8 Notes (the '***Term A8 Facility***' and together with the Initial Term Facilities, the '***Term Facilities***'; the advance thereunder, the '***Term A8 Advance***' and together with the Initial Term Advances, the '***Term Advances***', and all amounts outstanding under such Term A8 Facilities, the '***Term A8 Loan***' and together with the Initial Term Loans, the '***Term Loans***').

***Use of Proceeds*:** The Secured Loan Agreement will provide that the Term A8 Advance be applied by the Borrowers at the Closing Date for the repayment of each of the Term A3 Loan and the Term A5 Loan.

***Conditions Precedent to Drawdown of the Term A8 Facility*:** It will be a condition precedent on the Closing Date to the Issuer making the Term A8 Facility available to the

Borrowers that the Security Trustee is satisfied that, *inter alia*, each of the Term A3 Loan and the Term A5 Loan will be repaid and each of the Class A3 Notes and Class A5 Notes will be redeemed, the Class A8 Notes have been issued and the subscription proceeds have been received by or on behalf of the Issuer and that certain other documents (such as corporate authorisations, legal opinions and duly executed copies of the New Relevant Documents (as defined herein)) have been received by the Security Trustee.

Further Term Facilities and New Term Facilities*:** The Secured Loan Agreement provides that the Borrowers may also at any time request upon written notice a further term facility (a 'Further Term Facility***' and each advance thereunder a '***Further Term Advance***' and all amounts outstanding under such Further Term Facility, the '***Further Term Loan***') or a new term facility (a '***New Term Facility***' and each advance thereunder a '***New Term Advance***' and all amounts outstanding under such New Term Facility, the '***New Term Loan***'), any such advance to be made on a drawdown date (a '***Drawdown Date***'). A Further Term Facility and a New Term Facility may rank *pari passu* with a Term Facility. Each Further Term Facility and New Term Facility will be financed by the issue of Further Notes or New Notes, as the case may be, by the Issuer, and will only be permitted if the following conditions precedent, amongst others, are satisfied:

(a) it is for a minimum aggregate principal amount of €50,000,000;

(b) the Security Trustee is satisfied that the Issuer has or will have available to it on the relevant Drawdown Date sufficient proceeds from the issue of Further Notes or New Notes, as the case may be, to permit it to make the relevant Further Term Advance or New Term Advance;

(c) the Rating Agencies confirm to the Security Trustee that the existing classes of Notes will not be downgraded as a result of the proposed issue or as a result of the manner of application of the proceeds of such Further Term Facility and/or New Term Facility; and

(d) no Borrower Event of Default, Potential Borrower Event of Default, Failure to Pay Interest Event, Failure to Pay Principal Event, Non-Payment on Expected Maturity Date Event and/or breach of certain financial covenants (see below) has occurred and is continuing which has not been waived, or would result from the making of the relevant Further Term Advance or New Term Advance and that certain representations and warranties given under the Secured Loan Agreement are true on the relevant Drawdown Date.

Interest: The Secured Loan Agreement provides that interest under the Term Facilities is payable quarterly in arrear on each Interest Payment Date on the aggregate amount of all advances then drawn and outstanding thereunder in each case at the rates per annum equal to the sum of the applicable interest rate margin of 0.28 per cent. per annum in respect of the Term A4 Advance, 1.00 per cent. per annum in respect of the Term A6 Advance, 1.63 per cent. per annum in respect of the Term A7 Advance and 0.75 per cent. per annum in respect of the Term A8 Advance plus, in each case, the Underlying Rate for the relevant period. In certain

circumstances, the Term Loans are subject to a step-up margin as further described below in section *Non-Payment on Expected Maturity Date Event*.

The '***Underlying Rate***' shall be for a relevant Term Advance or part of a relevant Term Advance:

(a) if and for so long as the hedging provided pursuant to the Class A4 Forward Swap in respect of the Term A4 Advance is in place, and the Original Hedging Provider continues to comply with its payment obligations thereunder, then the Underlying Rate in respect of such Term Advance shall be the Class A4 Forward Swap Rate;

(b) if and for so long as the hedging provided pursuant to the Class A6 Supplemental Forward Swap in respect of the Term A6 Advance is in place, and the Class A6 Hedging Provider continues to comply with its payment obligations thereunder, then the Underlying Rate in respect of the Term A6 Advance shall be the Class A6 Supplemental Forward Swap Rate; and

(c) if and for so long as the hedging provided pursuant to the Class A7 Supplemental Forward Swap in respect of the Term A7 Advance is in place, and the Class A7 Hedging Provider continues to comply with its payment obligations thereunder, then the Underlying Rate in respect of the Term A7 Advance shall be the Class A7 Supplemental Forward Swap Rate; and

(d) (i) with respect to the Interest Period ending on the Interest Payment Date falling in July 2012 and if and for so long as the hedging provided pursuant to a Forward Swap in respect of the Term A3 Facility and the Class A5 Supplemental Forward Swap is in place during such Interest Period, and the Original Hedging Provider and the Class A5 Hedging Provider, respectively, continue to comply with their respective payment obligations thereunder, then the Underlying Rate in respect of the Term A8 Advance shall be (x) in respect of an amount of EUR 400,000,000 the Forward Swap Rate specified in the Forward Swap in respect of the Term A3 Facility and (y) in respect of an amount of EUR 350,000,000 the Forward Swap Rate specified in the Class A5 Supplemental Forward Swap in respect of the Term A5 Facility, and (ii) thereafter and if and for so long as the hedging provided pursuant to the Class A8 Supplemental Forward Swap in respect of the Term A8 Advance is in place, and the Class A8 Hedging Provider continues to comply with its payment obligations thereunder, then the Underlying Rate in respect of the Term A8 Advance shall be the Class A8 Supplemental Forward Swap Rate; and

(e) if:

(i) (a) is not applicable in relation to the Term A4 Advance, (b) is not applicable in relation to the Term A6 Advance or (c) is not applicable in relation to the Term A7 Advance, then the Underlying Rate of the relevant Term Advance shall be Euribor; or

(ii) (d) is not applicable in relation to the Term A8 Advance, then the Underlying Rate of the Term A8 Advance shall be:

(A) solely in relation to the Interest Period ending on the Interest Payment Date falling in July 2012:

(1) Euribor calculated by reference to the Term A8 Advance in the event that both the Original Hedging Provider and the Class A5 Hedging Provider do not comply with their respective payment obligations under the Forward Rate Swap in respect of the Term A3 Facility and the Class A5 Supplemental Forward Swap, respectively; or

(2) Euribor calculated by reference to the notional amount of the Transaction under the Original Hedging Agreement relating to the Term A3 Facility or the Class A5 Supplemental Forward Swap in respect of which the relevant Hedging Provider does not comply with its payment obligation thereunder less EUR 125,000,000; and

(B) for any subsequent Interest Period, Euribor.

***Fees*:** The Secured Loan Agreement provides that the Borrowers will pay to the Issuer certain fees from time to time which allow the Issuer to pay the fees and expenses incurred in connection with the issue of the Class A8 Notes as well its senior ranking costs and expenses during the course of the transaction.

Repayment*:** The Secured Loan Agreement provides in respect of the Term Advances, Further Term Advances and New Term Advances that no scheduled amortisation shall be applicable in respect of any Term Advances prior to the Interest Payment Date falling in July 2015 (the 'Loan Maturity Date***'). The Borrowers shall be obliged to pay the full outstanding principal amount of such Term Advances together with any outstanding interest, costs, fees or any other amount required to be paid under the Secured Loan Agreement on the Loan Maturity Date.

***Prepayment*:** The Secured Loan Agreement provides in respect of the Term Loans (other than the Term A6 Loan and the Term A7 Loan) and Further Term Loans, that the Borrowers may prepay moneys advanced and outstanding under the Secured Loan Agreement (subject to a minimum amount of €2,000,000 and integral multiples of €500,000 thereafter in respect of the Term Loans) on any Interest Payment Date, and with respect to the Term A6 Loan and the Term A7 Loan on any Interest Payment Date from and including the Interest Payment Date falling in July 2012 and July 2014, respectively, by giving not more than 60 and not less than 15 days prior written notice to the Issuer and the Security Trustee.

If the Borrowers elect to make a prepayment under the Term A4 Loan or Term A8 Loan or, from and including the Interest Payment Date falling in July 2012, the Term A6 Loan or, from and including the Interest Payment Date falling in July 2014, the Term A7 Loan, any such prepayment shall be applied in the following order of priority (such that the loan relating to the

Advance with the shortest Term Expected Maturity Date is in each case repaid first) and to the extent that no payment shall be made in respect of a particular item until all amounts payable under a prior ranking item in such order of priority has been paid in full:

(a) *firstly*, but only from and including the Interest Payment Date falling in July 2012, to prepay all amounts outstanding under the Term A6 Loan including any accrued but unpaid interest and the relevant Early Loan Prepayment Compensation Amount (if any);

(b) *secondly*, to prepay all amounts outstanding under the Term A8 Loan including any accrued but unpaid interest;

(c) *thirdly*, but only from and including the Interest Payment Date falling in July 2014, to prepay all amounts outstanding under the Term A7 Loan including any accrued but unpaid interest; and

(d) *fourthly*, to prepay all amounts outstanding under the Term A4 Loan including any accrued but unpaid interest.

***Early Loan Prepayment Compensation Amount*:** means with respect to a Term Advance an amount equal to X * Y whereby X is the Term A6 Outstanding being prepaid, as the case may be, and Y is the Early Loan Prepayment Percentage applicable to that Term Advance (if any).

The ***Early Loan Prepayment Percentage*** means with respect to the Term A6 Advance: if a prepayment occurs during the period from and including 21 July 2012 up to, but excluding, the Interest Payment Date falling in July 2013, 0.5 per cent.

In respect of the prepayment of any New Term Advance, the terms upon which it may be prepaid shall, unless otherwise agreed in writing between the Issuer, the Security Trustee and the Borrowers, match the terms upon which the relevant issue of New Notes made or to be made by the Issuer to fund such New Term Advance may be prepaid.

If any payments by the Borrowers under the Secured Loan Agreement become subject to any withholding or deduction in respect of tax, or any Term Advance, New Term Advance or a Further Term Advance becomes illegal due to a change of law, the Borrowers may, on giving not more than 60 days and not less than 35 days' (or such shorter period as may be required by any relevant law in the case of any Term Advance, New Term Advance or a Further Term Advance which becomes illegal as aforesaid) prior written notice to the Issuer, the Security Trustee and the Reference Agent (or on or before the latest date permitted by the relevant law) and whilst the relevant circumstances continue, prepay the full amounts outstanding under the Term Loans, any Further Term Loan or any New Term Loan, together with all accrued but unpaid interest on such loans up to (but excluding) the date of prepayment.

The Issuer will apply any amounts received by way of prepayment of the Term A4 Loan, the Term A6 Loan, the Term A7 Loan, the Term A8 Loan, any Further Term Loan or any New Term Loan (or part thereof) in making prepayments under the corresponding Class A4 Notes, Class A6 Notes, Class A7 Notes, Class A8 Notes, any Further Notes or any New Notes (respectively).

The Borrowers may purchase any Notes, Further Notes or New Notes in the market. Any Notes purchased by any Borrower shall be surrendered to the Issuer by the relevant Borrower and such Borrower shall be entitled to set-off the aggregate amount of principal and any accrued but unpaid interest of such Notes surrendered against amounts then outstanding in respect of the corresponding interest and principal under the Term A4 Loan, the Term A6 Loan, the Term A7 Loan, the Term A8 Loan, the Further Term Loan or the New Term Loan, as the case may be, so as to reduce the aggregate amount of the principal and/or accrued but unpaid interest on any of the Term Advances, any Further Term Advance or any New Term Advance, as the case may be.

***Withholding*:** All payments of, or in respect of, principal of and interest and fees (if any) on the Secured Loan Agreement will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having the power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Borrowers will pay such additional amounts as will result in the receipt by the Issuer of such amounts as would have been received by it if no such withholding or deduction had been required.

***Borrower to pay certain costs payable by the Issuer under the Hedging Agreements*:** If:

(a) there is a prepayment of any of the Term Loans under the Secured Loan Agreement; or

(b) any Borrower fails to comply with any of its payment obligations to the Issuer under the Secured Loan Agreement;

and the Issuer is required to pay any Termination Amounts (as defined in each of the Hedging Agreements) to the relevant Hedging Provider as a result of the circumstances described in (a) or (b), then the Borrowers shall pay the Issuer such amounts due and payable by it to the relevant Hedging Provider under the relevant Hedging Agreement (in each case unless the relevant Hedging Provider is in default under its obligations under such Hedging Agreement).

***Representations*:** No independent investigation with respect to matters represented in the Secured Loan Agreement will be made by the Beneficiaries (including the Issuer and the Security Trustee), other than a search on the Closing Date against the Fund Entities in the relevant file held by the Commercial Register of the Chamber of Commerce and the competent court in Amsterdam in respect of, *inter alia*, bankruptcy or suspension of payments of any such Fund Entities. In relation to such matters, the Issuer and the Security Trustee will, save as previously disclosed, rely entirely on the representations to be given by the Fund Manager and the Borrowers which will be contained in the Secured Loan Agreement. These will include, *inter alia*, representations broadly, as to the following and other matters:

(a) due incorporation or, in the case of the Borrowers, establishment of and no dissolution or insolvency proceedings relating to the Fund Entities;

(b) all necessary corporate action taken, and all consents and advice necessary as of the Closing Date having obtained in due time;

(c) that the issued share capital of the Fund Manager is duly authorised and fully paid up and there are no third party rights granting the right to call for the issue or allotment of any share or other instrument that can be converted into shares in the capital of the Fund Manager;

(d) there being no material breach of any material agreement, law, court order, regulation, directive or licence (including, without limitation those relating to environmental matters) that could have a Material Adverse Effect (as defined in the Master Definitions Agreement);

(e) there being no current, pending or, to the best knowledge of each of the Fund Entities, threatened material claim against any of the Fund Entities such with respect to environmental matters;

(f) no material litigation or enforcement, or other material legal, arbitration or governmental proceedings pending, or to the knowledge of the Vesteda Group Entities, threatened;

(g) legal validity and power to perform obligations under the Relevant Document to which it is a party and the legal and binding nature of such obligations;

(h) no Borrower Event of Default or Potential Borrower Event of Default having occurred;

(i) all necessary and material licences, approvals and authorisations having been obtained and their terms having been complied with in all material aspects;

(j) enforceability of security rights created in favour of the Security Trustee;

(k) no material additional liabilities other than as disclosed, reserved against or provided for;

(l) any financial statements disclosed to the Issuer presenting a true and fair view of the financial position of the entity or entities to which such financial statements relate in all material respects;

(m) there having been no material adverse change since the Initial Closing Date;

(n) no withholdings on account of tax in connection with the transactions contemplated by the Relevant Documents;

(o) none of the Borrowers having received any written notice claiming that any obligations to pay VAT have not been complied with;

(p) there being no security on assets of the Fund Entities which would rank in priority to or *pari passu* with security for its obligations under the Relevant Documents (save as permitted therein); and

(q) the correctness of all material information disclosed to the Issuer in connection with the proposed financing transaction (including, without limitation, with respect to the assets comprising the Portfolio and their respective values) in all material respects, such information to be specified in an attachment to the Secured Loan Agreement, as well as warranties with respect to the Properties comprising the Portfolio, which property warranties shall relate to:

(i) title;

(ii) easements and other contractual party rights;

(iii) adverse interests in respect of the Properties;

(iv) licenses and consents;

(v) planning matters;

(vi) disputes;

(vii) the state of repair of the Properties;

(viii) lease agreements entered into in relation to the Properties;

(ix) insurances; and

(x) environmental matters.

Certain of the representations to be given on the Closing Date will be repeated as at each Financial Quarter Date, by reference to the facts and circumstances then existing.

***Financial Covenants*:** Under the terms of the Secured Loan Agreement, the Borrowers covenant and undertake that they shall ensure that for so long as any of the Notes are outstanding to ensure that the financial covenants described below are satisfied:

(a) ***Debt Service Cover Ratio*:** from and including the Initial Closing Date, the ratio of EBITDA to Total Net Debt Service in respect of the Borrowers (collectively) shall not be less than 1.80:1 (the '***DSCR Covenant***');

(b) ***Loan to Value Ratio:*** from and including the Initial Closing Date, the ratio of the total amount of any debt owed by the Borrowers (collectively) (including any amounts outstanding under the Term Advances) to the then current Book Value of the Properties (excluding the Book Value of the Properties over which an encumbrance has been created, agreed to be created or permitted to subsist (other than pursuant to the Relevant Documents) as permitted under the Secured Loan Agreement) constituting the Portfolio shall not exceed 0.45:1 (the '***LTV Covenant***'), and

(c) ***Cash Flow Ratio*****:** from and including the Initial Closing Date, the Cash Flow Ratio of the Borrowers (collectively) shall be greater than 1.5:1 (the '***Cash Flow Covenant***'),

The covenants and undertakings contained in clauses (a) and (c) above have been tested regularly since the Initial Closing Date and will be tested for the first time after the Closing Date on 30 June 2012 and thereafter on each Financial Quarter Date by reference to the unaudited financial statements required to be delivered pursuant to the Secured Loan Agreement.

The covenant and undertaking contained in (b) above have most recently been tested on 31 December 2011, and will be tested on an annual basis by reference to the audited financial statements required to be delivered pursuant to the Secured Loan Agreement.

For these purposes '***Book Value***' shall be calculated in accordance with the method set out at the end of this description of the Secured Loan Agreement.

Defined Terms**:** The terms used with respect to the above-mentioned financial covenants under the heading Financial Covenants shall be construed in accordance with the Vesteda Accounting Principles but so that:

(a) '***Cash Flow Ratio***' means the Free Operating Cash Flow for such Relevant Period divided by Total Net Debt Service for such Relevant Period;

(b) '***EBITDA***' means, for any Relevant Period, the combined earnings of the Properties owned by the Borrowers on behalf of the Fund before the deduction of Interest Charges and corporation tax on the overall income of the Borrowers payable in respect of the financial period to which the relevant profit and loss accounts relate, after adding back any of those items listed at (i) to (iii) (inclusive) below and after making the required adjustments to exclude items referred to at (iv) to (vi) (inclusive) below:

(i) any amount attributable to amortisation of goodwill, or other intangible assets and any deduction for depreciation;

(ii) the amortisation or the writing off of costs associated with the issue of the Notes (including costs written off as a result of the prepayment of existing indebtedness and the financing costs associated therewith);

(iii) fair value adjustments and other non-cash provisions;

(iv) any losses or gains arising from the sale of any Property;

(v) items treated as extraordinary income/charges under the Vesteda Accounting Principles; and

(vi) any amount attributable to the writing up or writing down of any Property or related asset after the Initial Closing Date or the date on which the Fund was established;

(c) '***Free Operating Cash Flow***' means, in respect of any Relevant Period, EBITDA for that Relevant Period:

(i) minus all capital expenditures relating to the Properties incurred during that Relevant Period;

(ii) minus any amount of corporation or other tax payable by the relevant Borrower during that Relevant Period in respect of income or gains having a cash effect;

(iii) minus the amount of any decrease or plus the amount of any increase in provisions relating to the Properties for that Relevant Period having a cash effect;

(d) '***Financial Quarter***' means with respect to the first financial quarter, the period commencing on the Initial Closing Date and ending on 30 September 2005 and thereafter each period beginning on the day after a Financial Quarter Date and ending on the next Financial Quarter Date, with the exception of the last financial quarter, which will end on the last date upon which any of the Notes are outstanding;

(e) '***Financial Quarter Date***' means 31 December, 31 March, 30 June and 30 September in each year;

(f) '***Interest Charges***' means any interest (including the interest element of any payment made under finance leases or hire purchase agreements), commission, fees, discounts and other finance charges payable, less any interest earned by the Borrowers (excluding, for the avoidance of doubt, (i) any interest earned but not received on loans made by the Borrowers to any entity outside the Vesteda Group and (ii) any interest earned on loans made by the Borrowers to any entity within the Vesteda Group) during such period, but excluding any amount paid or payable by or on behalf of the Borrowers to the Issuer in respect of fees under the Secured Loan Agreement;

(g) '***Loan to Value Ratio***' means, in respect of any Relevant Period, the total amount of any debt owed by the Borrowers at the end of such Relevant Period (including any amounts outstanding under the Term Advances and to the extent applicable Further Term Advances) divided by the then current Book Value of the Properties constituting the Portfolio (excluding the Book Value of the Properties over which an encumbrance has been created, agreed to be created or permitted to subsist (other than pursuant to the Relevant Documents) as permitted under the Secured Loan Agreement) such Book Value to be determined in accordance with the Vesteda Accounting Principles;

(h) '***Relevant Period***' means the period of four Financial Quarters ending on the date on which the relevant calculation falls to be made and the period of one Financial Quarter ending on the date on which the relevant calculation falls to be made, save as the context requires otherwise;

(i) '***Total Net Debt Service***' means the Interest Charges in respect of any Relevant Period.

(j) '***Vesteda Accounting Principles***' means the accounting principles, standards, conventions and practices, from time to time and at any time generally accepted in the Netherlands, and which implement the requirements of the Netherlands Civil Code, Dutch GAAP and of any other legislation or regulation, compliance with which is required by law in connection with the preparation of accounts of the Borrowers, the Fund Manager and, if applicable, the Fund, or compliance with which is generally adopted and practised by companies such as the Borrowers, the Fund Manager and, if applicable, the Fund in the Netherlands in effect from time to time and consistently applied by the Borrowers, the Fund Manager and, if applicable, the Fund.

***Property Disposals and Acquisitions*:** A proposed disposal of any Property or a proposed acquisition of a new property by a Borrower will only be permitted if:

(a) in the case of disposals of Properties, no Borrower Event of Default or Potential Borrower Event of Default has occurred and is subsisting at the time of the relevant disposal or acquisition and unless a Fund Unwind Event has occurred the number of units (*eenheden*) in the Portfolio (as defined herein) disposed of during each Financial Year does not exceed 15% (fifteen per cent.) of the number of units (*eenheden*) in the Portfolio owned at the beginning of the Financial Year concerned and that on average from the Initial Closing Date[1], the number of units (*eenheden*) in the Portfolio disposed of does not exceed 5% (five per cent.) per annum; and

(b) in the case of acquisitions of new properties, no Borrower Event of Default, Potential Borrower Event of Default, Failure to Pay Interest Event, Failure to Pay Principal Event or Non-Payment on Expected Maturity Date Event has occurred and is subsisting.

Compliance Certificate. The Borrowers shall be obliged to certify to the Security Trustee as soon as such has been prepared and in any event within 45 days after the end of each Financial Quarter, as part of a compliance certificate addressed to the Security Trustee and signed by an authorised signatory/signatories of the Fund Manager (acting in its capacity as manager (*beheerder*) of the Fund) or its successor (the '***Compliance Certificate***'), that:

(a) the LTV Covenant, the DSCR Covenant and the Cash Flow Covenant, that will have been calculated in accordance with (a)(i) through to (iii) below, shall have been complied with:

[1] The original Secured Loan Agreement dated 18 July 2005 made a distinction between "Core Portfolio" and "Divestment Portfolio" and referred in this paragraph to "Core Portfolio" instead of "Portfolio" and until 20 April 2007 the calculation was made in respect of the Core Portfolio. Since most Properties included in the Divestment Portfolio have been disposed of, the Secured Loan Agreement does no longer make a distinction between a Core Portfolio and a Divestment Portfolio.

(i) the LTV Ratio shall be calculated as the ratio between the total amount of any debt owed by the Borrowers (collectively) at the end of such Financial Quarter (including any amounts outstanding under the Term Advances) divided by an amount equal to the sum of:

(A) the aggregate Book Value of the Properties and/or units (*eenheden*) at the time when the LTV Ratio was previously tested;

(B) plus the Book Value of the Properties and/or units (*eenheden*) acquired since the last LTV Ratio was calculated; and

(C) less the Book Value of the Properties and/or units (*eenheden*) disposed of since the last LTV Ratio was calculated;

(ii) the DSCR shall be calculated as the ratio of Adjusted EBITDA to Total Net Debt Service in respect of the Borrowers (collectively); and

(iii) the Cash Flow Ratio shall be calculated as the ratio of the Free Operating Cash Flow, calculated on the basis of the Adjusted EBITDA, for the previous Financial Quarter divided by Total Net Debt Service for the previous Financial Quarter,

it being understood that (A) for the purposes hereof, '***Adjusted EBITDA***' means EBITDA taking into account net rent from the Properties as at the date of such Compliance Certificate annualised and for a Financial Quarter, for the avoidance of doubt including rent on Properties acquired during the immediately preceding Financial Quarter and excluding rent on Properties disposed of during the immediately preceding Financial Quarter, and (B) if the Borrowers fail to satisfy any of the tests in this (a) above or fails to comply with any of the provisions of (a), the same consequences as if a Financial Condition Event (as defined herein) has occurred (see below under Occurrence of a Financial Condition Event);

(b) if the results of any of the tests of the financial covenants performed pursuant to (a) above are:

(i) in the case of the LTV Ratio, higher than 40%; or

(ii) in the case of the DSCR, lower than 2.1:1; or

(iii) in the case of the Cash Flow Ratio, lower than 1.65:1,

then the Borrowers shall, in addition to what they have certified pursuant to (a) above, certify that the DSCR Covenant and the Cash Flow Covenant and the LTV Covenant, that will have been calculated in accordance with this (b)(A) and (B) and (C) below, shall have been complied with:

(A) the DSCR shall be calculated as the ratio of Further Adjusted EBITDA to Total Net Debt Service in respect of the Borrowers (collectively);

(B) the Cash Flow Ratio shall be calculated as the ratio of the Free Operating Cash Flow, calculated on the basis of the Further Adjusted EBITDA, for the previous Financial Quarter divided by Total Net Debt Service for the previous Financial Quarter; and

(C) the LTV Ratio shall be calculated in accordance with (a)(i) above save that it shall exclude the Book Value of Properties in respect of which, in the good faith opinion of the management of the Fund Manager or its successor (acting in its capacity as manager (*beheerder*) of the Fund), there is a high degree of certainty that such Property will be disposed of during the immediately following Financial Quarter,

it being understood that (A) for the purposes hereof, '***Further Adjusted EBITDA***' means the Adjusted EBITDA, excluding rent on Properties in respect of which the management of the Fund Manager or its successor (acting in its capacity as manager (*beheerder*) of the Fund) in good faith believes that, there is a high degree of certainty that such Property will be disposed of during the immediately following Financial Quarter and (B) if any of the Borrowers fails to satisfy any of the tests in this (b) or fails to comply with any of the provisions of this (b), the Borrowers shall not be permitted to make any anticipated disposal as referred to in this (b); and

(c) with respect to any acquisitions of Property made by the Borrowers during the preceding Financial Quarter that:

(i) each such acquisition was made on arm's length terms; and

(ii) the acquired Property satisfied the standard environmental, health and safety and title checks as would normally be expected to be conducted by the Borrowers (or any other institutional investors investing in Dutch residential real estate).

Payments from a Fixed Account*:** The Secured Loan Agreement provides that the moneys standing to the credit of certain of the bank accounts of the Borrowers (the 'Fixed Accounts***') may only be withdrawn with the prior written consent of the Security Trustee, provided that with respect to the moneys standing to the credit of the Rent Collection Accounts and the Master Collection Account (as described below) such consent shall only be required upon the occurrence of a Failure to Pay Principal Event, a Failure to Pay Interest Event or a Non-Payment on the Expected Maturity Date Event (each defined below). The Borrowers may not dispose of the moneys standing to the credit of each Fixed Account upon the occurrence of a Borrower Event of Default. The following terms will apply to payments from the Fixed Accounts:

(a) ***Rent Collection Accounts*** and the ***Master Collection Account*:** All rental income from the Properties (net of costs) will be paid into the rent collection accounts in the name of either (i) the Fund Manager or (ii) one or more Borrowers (the '***Rent Collection Accounts***') and, with respect to the rent collection accounts in the

name of the Fund Manager, transferred at least monthly to the Master Collection Account in the name of one of the Borrowers (the '***Master Collection Account***') and in the event of:

(i) a Non-Payment on the Expected Maturity Date Event, the credit balance of these accounts may only be withdrawn:

(A) with the prior written consent of the Security Trustee, such consent not to be unreasonably withheld or delayed if the Borrowers satisfy the Security Trustee that such moneys will be applied:

(1) for expansionary capital expenditure of the Fund Entities; and/or

(2) for the repayment of any outstanding amount of principal, fees, commissions or expenses on the Term A4 Advance, the Term A6 Advance, the Term A7 Advance, the Term A8 Advance, the Further Term Advances and/or the New Term Advances, as the case may be; or

(B) for application towards a Permitted Participation Redemption, and

(ii) a Failure to Pay Principal Event or a Failure to Pay Interest Event, the credit balance of these accounts may only be withdrawn:

(A) with the prior written consent of the Security Trustee, such consent not to be unreasonably withheld or delayed if the Borrowers satisfy the Security Trustee that such moneys will be applied for the repayment of any outstanding amount of principal, fees, commissions or expenses on the Term Advances, the Further Term Advances and/or the New Term Advances, as the case may be; or

(B) for application towards a Permitted Participation Redemption;

(b) ***Segregated Account*****:** upon the occurrence of a Failure to Pay Interest Event, a Failure to Pay Principal Event or Non-Payment on the Expected Maturity Date Event whichever is earlier, the net proceeds of all disposals of Property shall promptly be deposited into a separate bank account in the name of one of the Borrowers (the '***Segregated Account***') and the credit balance of the Segregated Account may thereafter only be withdrawn with the prior written consent of the Security Trustee, which consent will not be unreasonably withheld or delayed if such moneys will be applied:

(i) in the case of a Failure to Pay Principal Event, *pro rata* for the repayment of any outstanding amount of principal, fees, commissions or expenses on the Term Advances, the Further Term Advances and/or the New Term Advances; and

(ii) and in the case of a Non-Payment on the Expected Maturity Date Event, for the repayment of any outstanding amount of principal, fees, commissions or expenses on the Term Advances or the New Term Advances in order of priority such that the relevant advance with the shortest Term Expected Maturity Date is, in each case, repaid first.

(c) ***Repayment Account*:** other than upon the occurrence of a Failure to Pay Interest Event, a Failure to Pay Principal Event or a Non-Payment on the Expected Maturity Date Event, the net proceeds from any disposal of Property following a Fund Unwind Event will immediately or as soon as reasonably practicable be paid into the Repayment Account (the '***Repayment Account***') (provided that upon the occurrence of a Failure to Pay Interest Event, a Failure to Pay Principal Event or a Non-Payment on the Expected Maturity Date Event, amounts standing to the credit of the Repayment Account shall promptly be paid into the Segregated Account – see (b) above). The credit balance of the Repayment Account shall be applied as follows:

(i) *first*, for capital expenditures of the Fund Entities; and/or

(ii) *second*, for the repayment of any outstanding amount of principal, interest, fees, commissions or expenses on the Term Advances, the Further Term Advances and/ or the New Term Advances, as the case may be.

***Covenants – General*:** Each Borrower provides the Issuer and the Security Trustee with the benefit of certain other covenants including, but not limited to, the following negative covenants:

(a) no financial indebtedness, save for an aggregate amount not exceeding €25,000,000 ranking no more than *pari passu* (other than as a result of any security rights created in accordance with (c) below) with any financial indebtedness created pursuant to the Relevant Documents, without the prior written consent of the Security Trustee;

(b) no leasing, hire purchase, conditional sale or other agreements for the acquisition of any asset upon deferred payment terms save where the purchase price of such assets does not exceed an aggregate amount of €500,000;

(c) save for an aggregate amount not exceeding €25,000,000 ranking no more than *pari passu* with any security right created pursuant to the Relevant Documents provided that first ranking security rights may be created by the Borrowers on Properties with an aggregate Book Value of up to €25,000,000, no security will be granted or other encumbrances to be created other than in favour of the Security Trustee as contemplated under the Relevant Documents, without prior written consent of the Security Trustee,

and, for the avoidance of doubt, (a) and (c) above shall not be cumulative it being noted that the Borrowers may create security rights under (c) above to secure debt permitted to be created under (a) above;

(d) save for an aggregate amount not exceeding €25,000,000, no granting of any loans, guarantees or indemnities in respect of any person other than with respect to the loan in the amount of €25,000,000 made available by the Borrowers to Vesteda Project Development B.V. before the Initial Closing Date;

(e) save for distributions permitted under the Secured Loan Agreement (including any Permitted Participation Redemptions (as defined below)), no issuance or redemption or repurchase, purchase, cancellation or retirement of any shares, participation rights and/or partnership rights or alteration of any rights attaching to any of its issued shares, participation rights and/or partnership rights in existence (including any preference shares) at the date of this Prospectus without the prior written consent of the Issuer and the Security Trustee, such consent not to be unreasonably withheld and subject to Rating Agencies' confirmation;

(f) no dividends or distributions of any kind by the Fund to its participants other than:

(i) a Permitted Distribution (as defined below) out of Excess Cash (as defined in the Master Definitions Agreement) or the proceeds of any term advance, new term advance or other financial indebtedness permitted under the Secured Loan Agreement or in the form of issue of shares or participation rights ('***Permitted Distribution***' shall mean a distribution in respect of assets held by each of the Borrowers or the Fund Manager, where such distribution complies with one of the following conditions: a distribution in accordance with the provisions of the Fund Terms and Conditions or a distribution of the amount equal to the positive difference between (i) the proceeds from the sale of Properties and (ii) the most recent Book Value of the Properties sold); or

(ii) a distribution or payment which is a Permitted Participation Redemption,

whereby, for the avoidance of doubt, such limitation on distributions does however not apply to any distributions made by or originating from DRF IV;

(g) no material changes to the general nature of the business as carried on at the Closing Date, or start of any other business which results in any material change to the nature of that business (other than following a Fund Unwind Event);

(h) no mergers, demergers, amalgamations, acquisitions with respect to legal entities, restructuring, and joint ventures, without prior written consent of the Security Trustee, which consent shall not be unreasonably withheld;

(i) other than as permitted under the Secured Loan Agreement, no material change in tax and accounting policies and external reporting practices, except in accordance with Dutch accounting rules and applicable law; and

(j) no change in auditors without prior written consent of the Security Trustee, which consent shall not be unreasonably withheld.

With respect to (a), (c) and (h) above, the consent of the Security Trustee will be granted if the Rating Agencies confirm that entering into the relevant transaction would not result in a downgrade of the Notes.

Each Borrower will also provide the Issuer and the Security Trustee with the benefit of certain positive covenants, including, without limitation, covenants relating to the maintenance of insurances, conduct of business, notification of events of default, notification of material legal proceedings and compliance with material regulatory requirements.

A '***Permitted Participation Redemption***' shall mean a redemption of one or more participation rights in the Fund:

(i) which is made as part of a related issuance of one or more participation rights in the Fund;

(ii) which is made in compliance with the relevant provisions of the Fund Terms and Conditions;

(iii) in respect of which the aggregate redemption price (the '***Redemption Price***') shall never exceed the issue price (the '***Issue Price***') of the related participation right(s) to be issued;

(iv) which is completed simultaneously with completion of the related issuance of participation right(s) in compliance with Subclause 18.2 (*Execution of Issue and Redemption*) of the Fund Terms and Conditions and for which the Redemption Price is paid in full by or on behalf of the Fund to the relevant participant simultaneously with irrevocable and unconditional receipt of the relevant Issue Price in full; and

(v) in respect of which the relevant Redemption Price is fully funded by the relevant Issue Price received in respect of the related issuance of participation right(s).

***Provision of Financial Information*:** For so long as any Notes are outstanding, each Borrower will deliver to the Security Trustee and the Rating Agencies the following:

(a) by no later than 120 days after the end of its financial year the audited financial statements (including balance sheet, profit and loss and cash flow statements) and related auditor's reports of the Fund (but excluding for the avoidance of doubt, the properties of DRF IV held on behalf of the Fund, such properties the '***DRF IV Properties***') for such financial year (the '***Annual Report***'), such Annual Report and the Quarterly Report (defined below) showing the assets and liabilities of the Fund (but excluding for the avoidance of doubt, the DRF IV Properties) (which are economically owned by the participants holding participation rights in the Fund);

(b) by no later than 45 days after the end of each Financial Quarter, commencing with the first Financial Quarter ending after the Initial Closing Date:

(i) the unaudited financial statements (in a form reasonably acceptable to the Security Trustee) of the Fund (but excluding, for the avoidance of doubt, the DRF IV Properties) in respect of the then current financial year on a year to date basis from the commencement of the then current financial year to the end of such Financial Quarter (the '***Quarterly Report***'), including:

(A) balance sheet and profit and loss accounts;

(B) cash flows comprising a statement of the revenues and expenditures of the Fund (but excluding, for the avoidance of doubt, the DRF IV Properties) together with, in respect of the then current financial year on a year to date basis, a comparison with the performance in the corresponding period of the previous financial year;

(C) operating statistics with respect to the Portfolio, including with respect to occupancy rates and total rental / revenue growth of the Properties;

(D) the number and details of Properties disposed of by way of Permitted Disposals or acquired by way of Permitted Acquisitions, and the number of Properties; and

(E) a management commentary on the unaudited financial statements for the then current financial year on a year to date basis commencing with the Financial Quarter ending on the previous anniversary of the Initial Closing Date as to, *inter alia*, the performance of the Fund (but excluding, for the avoidance of doubt, the DRF IV Properties) during such period and any material developments or proposals affecting the Fund (but excluding, for the avoidance of doubt, the DRF IV Properties) or its business, together with, when applicable, a comparison of actual performance by the Fund (but excluding, for the avoidance of doubt, the DRF IV Properties) with the performance in the corresponding period of the previous financial year;

(ii) a Borrower Compliance Certificate (the '***Borrower Compliance Certificate***') for the relevant period:

(A) certifying whether or not the financial covenants and undertakings have been observed, supported by detailed calculations;

(B) certifying that, so far as it is aware as of the date thereof, no Borrower Event of Default or Potential Borrower Event of Default (which, in either case, has not been previously notified in writing to the Security Trustee) has occurred or, if it has occurred a

description thereof and the action taken or proposed to be taken to remedy it; and

(C) certifying that, certain representations contained in the Secured Loan Agreement are true and it is in compliance with the covenants contained in the Secured Loan Agreement;

(c) from time to time and at the request of the Security Trustee or the Rating Agencies, each of the Borrowers shall furnish to each of the Security Trustee and/or Rating Agencies such information about the business, operations, performance, prospects and financial condition of such Borrower as any of the Security Trustee and/or Rating Agencies may reasonably require.

The above-mentioned information will be made available in English and the information to be delivered pursuant to (b) above will be made available to the required party in hard copy. See further *General Information.*

***Independent Audit and Valuation*:** In addition to the information to be provided as described above:

(a) in the case of a Borrower Event of Default or a Potential Borrower Event of Default, the Security Trustee may require a full independent audit and investigation into the business and affairs of any or all of the Fund and the Borrowers (but excluding, for the avoidance of doubt, the DRF IV Properties);

(b) each of the Borrowers (but excluding, for the avoidance of doubt, DRF IV) shall promptly deliver to the Security Trustee and the Rating Agencies, at their request, copies of any updated valuations of Properties in accordance with the Secured Loan Agreement;

(c) the Security Trustee may require that, at the expense of the Borrowers, an actual independent, external valuation of all Properties be conducted at least annually on Properties constituting at least 50 per cent. of the value of the Portfolio and at least once every two years (on a per Property basis) provided the Properties that have been owned by the relevant Borrower for more than two years and have been made completely available for letting for more than two years; and

(d) other than for Properties where an up-to-date valuation is available, the Security Trustee may require an actual independent, external valuation of (certain of) the Properties in the case of either a downgrade by the Rating Agencies of the Notes, a Borrower Event of Default, a Potential Borrower Event of Default, a Failure to Pay Principal Event, a Failure to Pay Interest Event or a Non-Payment on Expected Maturity Date Event.

Events of Default. The Secured Loan Agreement contains certain standard events that may lead to a default and acceleration of amounts outstanding for a full recourse facility of its nature (each, a '***Borrower Event of Default***' and any event which with the giving of notice, any relevant certificate, the lapse of time or fulfilment of any other condition would become a

Borrower Event of Default, a '***Potential Borrower Event of Default***'). These include an event for non-payment. However, the mere occurrence of non-payment may not in itself entitle the Security Trustee to accelerate the repayment obligations of any Borrower. In certain prescribed circumstances, non-payment shall constitute a Non-Payment on the Expected Maturity Date Event, a Failure to Pay Interest Event or a Failure to Pay Principal Event and specific consequences shall apply as more fully set out below. If the Borrowers fail to comply with the relevant provisions which are applicable on the occurrence of one of these events, a Borrower Event of Default shall have occurred. Other events include breach of financial covenant, misrepresentation, and insolvency of any Fund Entity.

Failure to Pay Interest Event: If any of the Borrowers has failed to pay any amount of interest due from it under the Secured Loan Agreement on any date upon which payment therefore was due and in the manner specified in the Secured Loan Agreement and such amount was not either paid at such time on such Borrower's behalf by any of the other Borrowers, then the Borrowers shall one week after the relevant Interest Payment Date and each subsequent week thereafter (each a '***Cash Collateralisation Payment Date***') pay to the Issuer Account on each Cash Collateralisation Payment Date, for same day value, an amount of at least one-twelfth of the aggregate amount drawn by the Issuer under the Liquidity Facility Agreement or from the Liquidity Standby Reserve Account, as appropriate, on the preceding Interest Payment Date to pay amounts due and payable under the Notes, together with interest and costs that will accrue on such amount up to but excluding the next succeeding Interest Payment Date.

If any of the Borrowers continues to fail to pay the full amount of interest that was due from it on the relevant Interest Payment Date under the Secured Loan Agreement on the tenth Business Day after the relevant Interest Payment Date upon which it was due and in the manner specified therein and such is not either paid at such time on such Borrower's behalf by any of the other Borrowers (a '***Failure to Pay Interest Event***'), then the consequences set out in (b), (c), (e) and (f) under the heading Failure to Pay Principal Event below shall apply to the Borrowers.

Further, the Borrowers shall, subject to obtaining the prior written consent of the Security Trustee, also appoint an external, independent and appropriately qualified advisor to advise on the steps and actions needed to remedy or cure the failure or the cause of the failure to pay interest on the relevant Interest Payment Date.

If any of the Borrowers fails at any time to comply in full with its or their obligations described above, a Borrower Event of Default shall have occurred.

Non-Payment on Expected Maturity Date Event*:** In the event that and for so long as any Borrower has failed to repay the full amount of principal, fees, commissions or expenses or other amounts (other than interest) on the Term A6 Advance, the Term A7 Advance or the Term A8 Advance, in each case, on the relevant Term Expected Maturity Date thereof, and such failure has not been remedied within a period of three (3) Business Days allowed for administrative or technical delay, a 'Non-Payment on Expected Maturity Date Event***' shall have occurred and the following shall apply with respect to each of the Borrowers for as long as any of the above-mentioned amounts remain outstanding:

(a) the interest margin applicable with respect to that part of the unpaid principal, fees, commissions, expenses or other sums due (excluding interest) on the Term A6 Advance, the Term A7 Advance and the Term A8 Advance, as the case may be, will be increased by 100 basis points;

(b) no payments to parties outside of the Vesteda Group shall be permitted where such payments relate (i) to dividends or distributions of any kind to any shareholders or participants in the Vesteda Group other than a Permitted Participation Redemption or (ii) to expansionary capital expenditure of the Vesteda Group;

(c) a disclosed security interest shall be created over the Rent Collection Accounts, the Master Collection Account (if any) and the Segregated Account although payments from such accounts shall be permitted where such relate to (i) a Permitted Participation Redemption or (ii) expansionary capital expenditure of the Vesteda Group with prior written consent of the Security Trustee and the Security Trustee agrees not to unreasonably withhold or delay its consent;

(d) parties shall enter into good faith discussions with respect to increasing the amount covered by the Forward Swaps, and/or the Supplemental Swaps, as applicable or entering into another appropriate hedging arrangement, unless the Rating Agencies confirm that not entering into replacement hedging arrangements would not result in a downgrade of the Notes; and

(f) the net proceeds of all disposals of Property by the Borrowers promptly be paid into the Segregated Account and then applied as referred to above – see the Section *Payments from a Fixed Account* above.

Failure to Pay Principal Event: In the event that and for so long as any Borrower has failed to repay the full amount of principal, fees, commissions or expenses or other amounts (other than interest) on the Term A4 Advance, the Term A6 Advance, the Term A7 Advance and/or the Term A8 Advance, and in each case, on the Loan Maturity Date and such failure has not been remedied within a period of three (3) Business Days allowed for administrative or technical delay, a '***Failure to Pay Principal Event***' shall have occurred the following shall apply for as long as any of the abovementioned amounts remain outstanding:

(a) the interest rate margin applicable to the outstanding amounts shall be increased by 100 basis points, (provided that if the applicable interest rate margin has already been increased in respect of the Term A6 Advance and/or the Term A7 Advance and/or the Term A8 Advance pursuant to the provisions applicable upon Non-Payment on Expected Maturity Date Event (as described above), such applicable interest rate margin shall not be increased a second time);

(b) no payments to parties outside of the Vesteda Group shall be permitted where such payments relate (A) to dividends or other distributions of any kind to any shareholders or participants in any members of the Vesteda Group other than a

Permitted Participation Redemption or (B) to expansionary capital expenditure of the Vesteda Group;

(c) a disclosed security interest shall be created over the Rent Collection Accounts, the Master Collection Account (if any) and the Segregated Account;

(d) parties shall enter into good faith discussions with respect to increasing the amount covered by the Forward Swaps and/or the Supplemental Swaps, as applicable or entering into another appropriate hedging arrangement, unless the Rating Agencies confirm that not entering into replacement hedging arrangements would not result in a downgrade of the Notes;

(e) the Fund Entities are obliged to create Mortgages over such of the Properties so that the aggregate Book Value of the mortgaged Properties is equal to 150 per cent. of all amounts outstanding by the Borrowers to the Issuer at such time under the Secured Loan Agreement; and

(f) the Fund Entities are obliged to liquidate in an orderly manner and as soon as reasonably practicable, but in any event before the twelfth anniversary of the Initial Closing Date, the Properties constituting the Portfolio, with the net proceeds of all disposals of Property being paid immediately or as soon as reasonably practicable thereafter into the Segregated Account and then applied as referred to above – see *Payments from a Fixed Account* above.

With respect to (f) above, the Borrowers shall as soon as practicably possible following the occurrence of a Failure to Pay Principal Event (subject to obtaining the prior written consent of the Security Trustee), appoint an external, independent and appropriately qualified advisor to monitor compliance by the Borrowers with their obligations under (f) above. If at any time following its appointment such advisor is of the reasonable opinion that the Borrowers are not in compliance in all material respects with their obligations under (f) and in particular if such advisor is of the reasonable opinion that the Borrowers will not be able to liquidate before 20 July 2017 a sufficient number of the Properties in order to allow the repayment in full of any and all amounts of principal, fees, commissions, expenses or other sums due from the Borrowers under the Relevant Documents, then the Security Trustee shall be entitled to require that such advisor assumes control and management of the process of liquidating the Properties as referred to in (f).

Failure to Refinance Event*:** The Borrowers must demonstrate 90 days prior to the Loan Maturity Date (the 'Refinance Commitment Date***'), to the satisfaction of the Security Trustee, that there is a firm commitment to refinance the Term Advance, the Further Term Advance and the New Term Advance (as the case may be) on the Loan Maturity Date. A commitment letter from a bank or banks to fund the amount of the Term Advances is deemed to constitute a firm commitment. Failure to provide this three Business Days after the Refinance Commitment Date will be deemed a '***Failure to Refinance Event***' and the following shall apply with respect to each of the Borrowers:

(a) a disclosed security interest shall be created over the Rent Collection Accounts, the Master Collection Account (if any) and the Segregated Account;

(b) the Fund Entities are obliged to create Mortgages over such of the Properties so that the aggregate Book Value of the mortgaged Properties is equal to 150 per cent. of all amounts outstanding by the Borrowers to the Issuer at such time under the Secured Loan Agreement;

(c) no payments to parties outside of the Vesteda Group shall be permitted where such payments relate (A) to dividends or other distributions of any kind to any shareholders or participants in any members of the Vesteda Group other than a Permitted Participation Redemption or (B) to expansionary capital expenditure of the Vesteda Group.

Occurrence of a Financial Condition Event*:** If at the end of any Financial Quarter the Borrowers have not complied with the relevant financial covenants – see above Financial Covenants – (a 'Financial Condition Event***'), the Borrowers will have the period until the end of the following Financial Quarter in which to remedy such breach through appropriate remedial action. In such a case, the Borrowers must, subject to the prior written consent of the Security Trustee, appoint an independent advisor to advise on actions needed to remedy the relevant breach by the end of the following Financial Quarter. If:

(a) the adviser is of the view that the relevant breach cannot be remedied or cured by the end of the following Financial Quarter or that it remains unremedied or uncured by the end of the following Financial Quarter; or

(b) a second Financial Condition Event occurs within a period of twelve (12) months following a previous occurrence,

then a Borrower Event of Default will have occurred.

***Consequences of Borrower Event of Default*:** Upon the occurrence of a Borrower Event of Default (which in certain cases will be subject to a material adverse effect qualification), the Security Trustee may by written notice to the Rating Agencies and the Borrowers:

(a) suspend or cancel the commitment of the Issuer to make any Further Term Advances or New Advances (as the case may be); and/or

(b) declare the aggregate principal amount of all advances made pursuant to the Secured Loan Agreement together with any accrued and unpaid interest thereon and any other sums then owed by the Borrowers to be immediately due and payable; or

(c) declare the aggregate principal amount of all advances made pursuant to the Secured Loan Agreement together with any accrued and unpaid interest thereon and any other sums then owed by the Borrowers to be due and payable on demand of the Security Trustee; and/or

(d) without prejudice to the provisions of the Security Agreement which permit the Security Trustee to enforce the security created thereunder in any other circumstances, exercise all rights and remedies available to it including declaring that the Security Agreement and the security created thereunder shall have become enforceable.

Further, in the case of the insolvency of the Fund Manager and the payments into the relevant accounts held in its name are determined to be part of the Fund, the Borrowers shall be required to, *inter alia*, open new accounts in their name with the Account Bank, procure that amounts deposited on the Rent Collection Accounts are transferred to such new accounts and give notice to tenants and other parties that are obliged to make payments to pay into the relevant new account.

Book Value*:** In the Secured Loan Agreement 'Book Value***' will be the higher of the Sale Value and the Investment Value. The Sale Value and the Investment Value are calculated according to the methodology below. Any proposed changes to this methodology will require confirmation by an independent financial advisor that the changes will not negatively affect the Noteholders. To the extent that the Investment Value for any Property exceeds by more than 10 per cent. the Sale Value, then the Book Value for that Property will be an amount equal to 110 per cent. of the Sale Value.

Sale Value and Investment Value are based on the assumption that the assets are completely sold including its current tenants. Both valuations are determined by a discounted cash flow method. In respect of at least 50 per cent. of the Portfolio, both the Sale Value and the Investment Value are a result of external full appraisal. For the remaining part of the Portfolio (as defined herein) the Sale Value and the Investment Value are actualised by external valuers at year-end.

The Sale Value is determined on the assumption that the asset is completely sold including its current tenants to an entity specialised in the selling of individual units. The Investment Value is determined on the assumption that the asset is completely sold including its current tenants to an investor that intends to hold the units comprising the asset for letting purposes.

The auditors of the Fund will on an annual basis audit the consistency of the then current Investment Values and comment on any material changes. If the auditors of the Fund are not able to confirm such consistency, such fact will be included as a qualification in the audit letter of the auditors of the Fund, which qualification could result in a breach of covenant under the Secured Loan Agreement. Such breach can be cured by calculating book value using external Open Market Value valuations and for these purposes, '***Open Market Value***' shall mean an opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

(a) a willing seller;

(b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper

marketing of the interest, for the agreement of the price and terms and for the completion of the sale;

(c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;

(d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and

(e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

***Governing law*:** The Secured Loan Agreement is governed by Netherlands law.

Security Agreement

The Original Security Agreement was entered into on 18 July 2005, amended and restated on 20 April 2007, amended on 30 June 2008, amended and restated on 16 April 2010 and most recently amended and restated as of 2 February 2012 pursuant to the 2012 Conversion Amendment and Restatement Agreement, and the Security Agreement will be entered into on or around the Closing Date between, *inter alios*, the Issuer, the Fund Manager, the Borrowers and the Beneficiaries. Pursuant to the terms of the Security Agreement, each of the Borrowers, the Fund Manager and the Issuer undertakes to grant in favour of the Security Trustee certain security rights thereunder and pursuant thereto. A summary of the terms of the Security Agreement, the security created pursuant thereto and the security created at a future date on the occurrence of specified events set out in the Secured Loan Agreement and the Trust Deed are described below. Further, the Security Agreement contains common standard provisions which apply to the Security Documents (as defined below).

In order to create a valid, enforceable security interest in favour of the Security Trustee under the laws of the Netherlands, the undertakings, obligations and liabilities of the Borrowers and the Issuer to the Security Trustee are expressed to be separate and independent obligations from the corresponding principal obligations which the Borrowers and the Issuer have, respectively, to the Issuer and the Beneficiaries pursuant to the Relevant Documents, being, respectively the Borrower Principal Obligations and the Issuer Principal Obligations. This is referred to as the Borrower Parallel Debt and the Issuer Parallel Debt and represents the Security Trustee's own claims to receive payment of an amount not exceeding the total amount of the Borrower Principal Obligations and the Issuer Principal Obligations. The Borrower Secured Obligations and the Issuer Secured Obligations are therefore the obligations of the Borrowers to pay the Borrower Parallel Debt in respect of the Borrower Principal Obligations and the obligations of the Issuer to pay the Issuer Parallel Debt in respect of the Issuer Principal Obligations.

The Security Agreement provides that the Relevant Documents (including the Conditions) may be amended in writing, and any rights thereunder may be waived in writing after reasonable notification of the details of amendment or waiver has been given to the Beneficiaries from time to time by the Security Trustee, provided, however, that any amendment

or waiver which in the opinion of the Security Trustee has the effect in respect of any Relevant Documents (including the Conditions) of (i) a dilution of security or the rights of the Beneficiaries under the Relevant Documents (including the Conditions), (ii) a change in the Issuer Priority of Payments or the Borrower Priority of Payments, or (iii) a change in the timing of any payment, shall not be made unless each Rating Agency, after having been notified by the Security Trustee, shall have confirmed that such action will not result in a downgrade of the rating of the Notes and the Security Trustee shall have confirmed that it is satisfied the amendment or waiver is not prejudicial to the interests of the Noteholders.

The Security Agreement provides that, if the Borrowers and/or the Fund Manager, as the case may be, fail to create the security interests contemplated in the Security Agreement, the Security Trustee shall, to the extent legally permitted and practically possible, exercise its rights (i) under the Mortgage Powers of Attorney and (ii) under the articles of association of the Borrowers.

The Security Agreement is governed by Netherlands law.

Borrower Security

Pursuant to the Original Security Agreement, on or following the occurrence of a Non-Payment on the Expected Maturity Date Event, a Failure to Refinance Event, a Failure to Pay Principal Event or a Failure to Pay Interest Event, (in each case which is continuing), or a Borrower Event of Default, whichever is earlier, or at any time thereafter, the Borrowers will enter into the following:

(a) save in the event of a Non-Payment on the Expected Maturity Date Event, one or more Netherlands law governed Mortgage Deeds (defined below); and

(b) Netherlands law governed Account Pledges over the Rent Collection Accounts, the Master Collection Account (if any) and the Segregated Account.

Following the occurrence of a Fund Unwind Event, the Borrowers will open the Repayment Account and will create a right of pledge over the Repayment Account Pledge in favour of the Security Trustee pursuant to the Repayment Account Pledge Agreement.

Each of the Security Agreement, the Mortgage Deeds, the Repayment Account Pledge and the Account Pledges shall be in favour of the Security Trustee to secure the Borrower Secured Obligations and shall be referred to together as the '***Borrower Security Documents***' described below.

Issuer Security

The Issuer and the Security Trustee entered on 18 July 2005, 20 April 2007, 15 July 2008 and 16 April 2010 into the Netherlands law governed Original Issuer Pledge Agreement, 2007 Supplemental Issuer Pledge Agreement, 2008 Supplemental Issuer Pledge Agreement and 2010 Supplemental Issuer Pledge Agreement, respectively, in favour of the Security Trustee to secure the Issuer Secured Obligations.

On or around the Closing Date, the Issuer will enter into the Netherlands law governed 2012 Supplemental Issuer Pledge Agreement in favour of the Security Trustee to further secure the Issuer Secured Obligations.

The Security Agreement and the Issuer Pledge Agreement shall be referred to together as the '***Issuer Security Documents***' and together with the Borrower Security Documents, the '***Security Documents***'.

Enforcement of Security

The Security Agreement provides that neither the Beneficiaries nor the Issuer shall exercise any independent power that they may have to enforce or to exercise any rights, discretions or powers or to grant any consents, waivers or releases under or pursuant to the Security Documents or otherwise exercise direct recourse to the assets secured pursuant to the Security Documents except through the Security Trustee. Subject to the Security Trustee being indemnified to its satisfaction in relation to the performance and enforcement of the Security Documents, the Security Trustee shall take such action or, as the case may be, refrain from taking such action under or pursuant to the Security Documents:

(a) in the case of enforcement of any Borrower Security Document, as the Issuer shall direct or, if an Issuer Event of Default has occurred and an Issuer Enforcement Notice has been given pursuant to Condition 10 of the Conditions, as the Security Trustee shall deem to be in the interest of the Beneficiaries; and

(b) in the case of enforcement of any Issuer Security Document, if an Issuer Event of Default has occurred and an Issuer Enforcement Notice has been given pursuant to Condition 10 of the Conditions, the Security Trustee may, at its discretion and without further notice, take such steps as it may think fit to enforce the Issuer Security Documents but it shall not be bound to take any such steps unless it is directed by an Extraordinary Resolution of the Noteholders or if so requested in writing by the holders of the Notes holding at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes, provided that it shall enforce an Issuer Security Document without such Extraordinary Resolution or directions, as the case may be, if a failure to take immediate enforcement action would or may jeopardise the value or availability of the security created pursuant to any or all of the Issuer Security Documents for the benefit of the Noteholders, but will have no regard for the interests of any other Beneficiary under the Security Documents or the Trust Deed (for the avoidance of doubt as defined in the section *Overview – The Parties – Security Trustee* above).

Application of Security Proceeds

After one or more of the security interests constituted by a Security Document have become enforceable, the Security Trustee shall seek recourse to (*zich verhalen op*) any and all proceeds received under or pursuant to the relevant Security Documents or pursuant to a foreclosure on (*uitwinnen*) the relevant secured assets, but subject to the payment of any claims having priority to the relevant security interests, to pay the respective secured obligations secured

thereby. The Security Agreement and the Trust Deed contain provisions regulating the priority of application of amounts forming part of such security among the Beneficiaries.

In the event of a Borrower Event of Default, as set out in the Secured Loan Agreement (see further the section *Summary of Principal Documents – Secured Loan Agreement* above) the Security Trustee shall apply the proceeds received under the Borrower Security Documents in accordance with the Borrower Priority of Payments (contained in the Security Agreement and set out below) and the Issuer Pre-enforcement Priority of Payments (contained in the Trust Deed but incorporated by reference in the Security Agreement and set out below). In the event that the Security Trustee has given an Issuer Enforcement Notice, the Security Trustee shall apply the proceeds received under the Issuer Security Documents in accordance with the Issuer Post-enforcement Priority of Payments (contained in the Trust Deed and set out below).

Borrower Priority of Payments

Upon the occurrence of a Borrower Event of Default which is then subsisting and notification thereof to the Security Trustee by the Issuer, the Security Trustee shall collect and foreclose on the assets securing the Borrower Secured Obligations secured by the Borrower Security Documents and apply the proceeds arising therefrom in the following order (the '***Borrower Priority of Payments***'):

(a) *first, pro rata*, in or towards satisfaction of the respective amounts due (i) to the Security Trustee in respect of its fees, costs and expenses and (ii) the fees, costs and expenses of a mortgage advisor to be appointed by the Security Trustee pursuant to the Secured Loan Agreement to assist with, *inter alia*, the creation of Mortgages (the '***Mortgage Advisor***');

(b) *second*, to the Issuer in discharge of the amounts due to the Issuer under the Secured Loan Agreement required to satisfy in full the Issuer's obligations set out in paragraphs (a), (b) and (c) under the Issuer Priority of Payments;

(c) *third, pro rata*, in or towards satisfaction of the amounts due to the Issuer in respect of the Term Advances, an amount equal to the aggregate amount required by the Issuer to satisfy in full its obligations to pay (i) interest on the Notes (other than the Step-Up Amounts) (ii) all amounts due to the Hedging Providers under the Hedging Agreements (other than Hedging Subordinated Amounts) and (iii) any Early Note Prepayment Compensation Amounts due under the Notes pursuant to an optional redemption referred to under Condition 6(e) of the Conditions (if any);

(d) *fourth, pro rata*, in or towards satisfaction of the amounts due to the Issuer in respect of the Term Advances, an amount required by the Issuer to satisfy in full its obligation to pay principal under the Notes;

(e) *fifth, pro rata*, in or towards satisfaction of the amounts due to the Issuer in respect of the Term Advances, an amount equal to the aggregate amount required by the Issuer to satisfy in full its obligation to pay Step-Up Amounts;

(f) *sixth*, to the Issuer in discharge of the amounts due to the Issuer under the Secured Loan Agreement required to satisfy in full the Issuer's obligations set out in paragraph (g) under the Issuer Pre-enforcement Priority of Payments; and

(g) *seventh*, to the Issuer in discharge of the amounts due to the Issuer under the Secured Loan Agreement required to satisfy in full the Issuer's obligations set out in paragraphs (h) and (i) under the Issuer Pre-enforcement Priority of Payments.

Issuer Pre-enforcement Priority of Payments

The Security Agreement incorporates, by reference, certain provisions of the Trust Deed including provisions relating to the Issuer Priority of Payments. Prior to the occurrence of an Issuer Event of Default, the amounts standing to the credit of the Issuer Account on each Interest Payment Date will comprise of:

(a) the payments received by the Issuer on such Interest Payment Date into the Issuer Account pursuant to the terms of the Secured Loan Agreement;

(b) interest received on the Issuer Account and any other account that the Issuer may have or otherwise from Eligible Investments which it has the option to invest in under the Bank Account and Cash Management Agreement;

(c) the proceeds of any drawing, if any, made under the Liquidity Facility Agreement on or prior to such Interest Payment Date; and

(d) the amounts, if any, paid by the Hedging Providers under the Hedging Agreements, as applicable, on or prior to such Interest Payment Date.

Prior to the security under any or all of the Security Documents having become enforceable and the Security Trustee having taken steps to enforce such security, amounts standing to the credit of the Issuer Account shall be applied in accordance with the Issuer Pre-enforcement Priority of Payments set out in the Trust Deed (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(a) *firstly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof:

(i) the fees or other remuneration and indemnity payments (if any) payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by it under the provisions of the Security Agreement and any of the other Relevant Documents (as defined herein), together with interest thereon as provided for therein;

(ii) the fees and expenses of the Reference Agent and the Paying Agent incurred under the Paying Agency Agreement;

(iii) the fees and expenses of the ATC Entities under the Corporate Services Agreements;

(iv) any amounts due in respect of the Issuer's liability to the tax authorities (insofar as payment cannot be satisfied out of profits);

(v) the fees and expenses of any legal advisers, accountants and auditors appointed by the Issuer; and

(vi) the fees and expenses of the Rating Agencies;

(b) *secondly*, in or towards satisfaction of all amounts of principal, interest (including Mandatory Costs (as defined in the Liquidity Facility Agreement)), commitment fee, costs, expenses and other amounts from time to time due or accrued but unpaid to the Liquidity Facility Provider under the terms of the Liquidity Facility Agreement, other than any additional amounts in respect of increased costs (including Mandatory Costs (as defined in the Liquidity Facility Agreement)) and tax gross up payments in respect of withholding taxes payable to the Liquidity Facility Provider in excess of 0.20 per cent. per annum on the maximum amount available to be drawn under the Liquidity Facility Agreement from time to time (such additional amounts being referred to as the '***Liquidity Subordinated Amounts***');

(c) *thirdly*, in or towards satisfaction of, the fees, costs, expenses and liabilities of the Account Bank under the Bank Account and Cash Management Agreement;

(d) *fourthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof (i) all amount of interest due or accrued but unpaid under the Notes (other than that proportion of the interest payable on the Notes calculated by applying the Step-Up Margin (as defined in Condition 4(c) of the Conditions (the '***Step-Up Amounts***')) and all accrued but unpaid Step-Up Amounts (if any) and interest thereon); (ii) all amounts due to the Hedging Providers under the Hedging Agreements (other than any Hedging Subordinated Amounts (as defined below)); and (iii) any Early Note Prepayment Compensation Amounts due under the Notes pursuant to an optional redemption referred to under Condition 6(e) of the Conditions (if any);

(e) *fifthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, all amount of principal due under the Notes which shall correspond to the relevant advance repaid by the Borrowers pursuant to the Secured Loan Agreement;

(f) *sixthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, Step-Up Amounts, then due and payable;

(g) *seventhly*, in or towards satisfaction of, *pro rata*, any amounts due or overdue (if any) to third parties under obligations incurred in the course of the Issuer's business not paid under (a) above, including amounts due or accrued but unpaid to any party under the Relevant Documents (other than referred to in (a) to (f) above and (h) and (i) below);

(h) *eighthly*, in or towards satisfaction of, any Liquidity Subordinated Amounts due under the Liquidity Facility Agreement to the Liquidity Facility Provider;

(i) *ninthly*, in or towards satisfaction of, *pro rata*, all amounts due and payable to a Hedging Provider under the Hedging Agreements with such Hedging Provider in circumstances where such Hedging Provider is in default under such Hedging Agreement (the '***Hedging Subordinated Amounts***'); and

(j) *tenthly*, any surplus to the Borrowers in consideration for the novation and benefit of the cap and swaption transactions, as the case may be, pursuant to the Novation and Amendment Deed, the Class A7 Swaption Novation Deed and the Class A8 Novation Deed.

Payments may only be made out of the Issuer Account other than on any Interest Payment Date to satisfy liabilities set out in paragraphs (a) and (g) above.

To the extent that the Issuer's funds are insufficient to make payments under items (a) to (d) above on the relevant Interest Payment Date, or in the case of (a) only, on any Business Day, the Issuer may, in certain circumstances, make a drawing under the Liquidity Facility or, to the extent credited thereto, the Liquidity Standby Reserve Account (as defined herein). See further section *Summary of Principal Documents – Liquidity Facility Agreement* below.

Issuer Post-enforcement Priority of Payments

Following the security under the Security Documents having become enforceable and the Security Trustee having taken steps to enforce such security, amounts standing to the credit of the Issuer Account shall be applied in the following order of priority in accordance with the Issuer Post-enforcement Priority of Payments set out in the Trust Deed (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(a) *firstly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof:

(i) the fees or other remuneration and indemnity payments (if any) payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by it under the provisions of the Security Agreement and any of the other Relevant Documents, together with interest thereon as provided for therein;

(ii) the fees and expenses of the Paying Agents and the Reference Agent incurred under the Paying Agency Agreement;

(iii) the fees and expenses of the ATC Entities under the Corporate Services Agreements;

(iv) the fees and expenses of any legal advisors, accountants and auditors appointed by the Issuer; and

(v) the fees and expenses of the Rating Agencies;

(b) *secondly*, in or towards satisfaction of, all amounts of principal, interest, (including Mandatory Costs, (as defined in the Liquidity Facility Agreement), commitment fee, costs, expenses and other amounts from time to time due or accrued but unpaid to the Liquidity Facility Provider under the terms of the Liquidity Facility Agreement (other than Liquidity Subordinated Amounts);

(c) *thirdly*, in or towards satisfaction, of the fees, costs, expenses and liabilities of the Account Bank under the Bank Account and Cash Management Agreement;

(d) *fourthly*, in or towards satisfaction of, *pro rata*, all amounts due to the Hedging Providers under the Hedging Agreements (other than Hedging Subordinated Amounts);

(e) *fifthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof (i) all amount of interest due or accrued but unpaid under the Notes and the (other than any and all Step-Up Amounts (if any) and interest thereon) and (ii) any Early Note Prepayment Compensation Amounts due under the Notes pursuant to an optional redemption referred to under Condition 6(e) of the Conditions (if any);

(f) *sixthly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, all amount of principal due under the Notes;

(g) *seventhly*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, Step-Up Amounts, then due and payable;

(h) *eighthly*, in or towards satisfaction of, Liquidity Subordinated Amounts due under the Liquidity Facility Agreement to the Liquidity Facility Provider;

(i) *ninthly*, in or towards satisfaction of, *pro rata*, Hedging Subordinated Amounts due to a Hedging Provider under the relevant Hedging Agreement;

(j) *tenthly*, in or towards satisfaction of, *pro rata*, any amounts due or overdue (if any) to third parties (including any amounts due to the tax authorities) under obligations incurred in the course of the Issuer's business not paid under (a) above, including amounts due or accrued but unpaid to any party under the Relevant Documents (other than as referred to in (a) to (i) above; and

(k) *eleventhly*, any surplus to the Borrowers in consideration for the novation and benefit of the cap and swaption transactions, as the case may be, pursuant to the Novation and Amendment Deed, the Class A7 Swaption Novation Deed and the Class A8 Novation Deed.

Borrower Security: Mortgage Deeds

Pursuant to the Security Agreement, each of the DRFs and the Fund Manager have undertaken to the Security Trustee for the benefit of the Issuer that immediately upon the occurrence of a Failure to Refinance Event, a Failure to Pay Interest Event or a Failure to Pay Principal Event (and in each case, which is continuing) or a Borrower Event of Default, whichever is the earlier, and at any time thereafter, it shall create first ranking mortgage rights (*hypotheek, eerste in rang*) over sufficient Properties representing a Book Value of 150 per cent. of the Borrower Principal Obligations (a '***Mortgage***') as well as a first right of pledge over any related rights. The Security Trustee has sole discretion as regards over which of the Properties Mortgages shall be created. Each DRF (as '***Mortgagor***') together with the Security Trustee (in its capacity as '***Mortgagee***') shall, on the occurrence of such a Failure to Refinance Event, a Failure to Pay Interest Event or a Failure to Pay Principal Event (in each case, which is continuing) or Borrower Event of Default, whichever is earlier, enter into a notarial mortgage deed (a '***Mortgage Deed***') in the form prescribed by the Security Agreement and shall thereby grant to the Security Trustee:

(i) a first mortgage right on the relevant Property; and

(ii) a first right of pledge in respect of, *inter alia*, all movable property relating to the Property (together with the Property referred to as the '***Security Assets***').

The Mortgage Deed will contain certain declarations that, *inter alia*, the Security Assets are not encumbered with, *inter alia*, mortgage registrations, rights of pledge or other limited rights or attachments and that it is the owner of the Property.

The Mortgage Deed will be governed by Netherlands law.

Pursuant to the Security Agreement, each of the Borrowers has granted the Mortgage Powers of Attorney to the Security Trustee to create the Mortgage after the occurrence of a Failure to Refinance Event, a Failure to Pay Interest Event or a Failure to Pay Principal Event (in each case, which is continuing) or Borrower Event of Default. The Mortgage Powers of Attorney are governed by Netherlands law.

Borrower Security: Account Pledges and Repayment Account Pledge

Pursuant to the Security Agreement, each of the DRFs and the Fund Manager have undertaken to the Security Trustee that immediately upon the occurrence of a Non-Payment on the Expected Maturity Date Event, a Failure to Refinance Event, a Failure to Pay Principal Event, a Failure to Pay Interest Event (in each case, which is continuing) or a Borrower Event of Default, whichever is the earlier, and at any time thereafter, to create a disclosed right of pledge over any and all of its rights, interest and title in and to the Rent Collection Accounts held by the Fund Manager and the Master Collection Account (if any), the Segregated Account and any Rent Collection Accounts which are held by the Borrowers (as described in the section *Summary of Principal Documents – Secured Loan Agreement*) by executing an account pledge in the form prescribed by the Security Agreement. The pledge will be in respect of the pledged claims, being the claims of the relevant pledgor from time to time against the bank where the accounts are held (to the extent that they constitute registered claims (*vorderingen op naam*) of the pledgor against

the bank) resulting from any and all amounts standing from time to time to the credit of the relevant accounts (the '***Pledged Claims***'). Further, the terms of the Account Pledges shall provide that the relevant pledgor shall not be permitted to dispose of the pledged claims (in whole or in part) or apply the proceeds of the pledged claims, except in accordance with the terms of the Security Agreement and the Secured Loan Agreement.

If the Fund Manager were to become insolvent, for as long as all tenants, intermediaries and other relevant parties have not been instructed to make payments into one or more Rent Collection Accounts held in the name of one or more Borrowers and the Fund Manager is unable to create valid pledges over the accounts in accordance with the terms of the Account Pledges, the Borrowers shall be obliged to open new accounts, transfer moneys to those accounts and notify, *inter alia*, tenants that payments must be made to such new accounts forthwith. These new accounts will be pledged to the Security Trustee.

Furthermore, pursuant to the Security Agreement, the Borrowers have undertaken to the Security Trustee that immediately upon the occurrence of a Fund Unwind Event (i) they will open the Repayment Account, (ii) transfer all proceeds from disposals of Property to the Repayment Account and (iii) create a disclosed right of pledge over any and all of their rights, interest and title in and to the Repayment Account held by the Borrowers (as described in *Summary of Principal Documents – Secured Loan Agreement*) by executing an account pledge in the form prescribed by the Security Agreement. The pledge will be in respect of the Pledged Claims. Further, the terms of the Repayment Account Pledge shall provide that the relevant pledgor shall not be permitted to dispose of the pledged claims (in whole or in part) or apply the proceeds of the pledged claims, except in accordance with the terms of the Security Agreement and the Secured Loan Agreement.

The Secured Loan Agreement provides that the Borrowers and the Fund Manager may at any time instruct all tenants, intermediaries and other relevant parties to make rent and other payments directly into one or more Rent Collection Accounts opened and held in the name of one or more Borrowers. The Fund Manager and the Borrowers shall promptly upon opening of any Rent Collection Account in the name of a Borrower, notify the Issuer and the Security Trustee thereof. Provided that the Issuer and the Security Trustee have received evidence reasonably satisfactory to them that (i) all tenants, intermediaries and other relevant parties have been instructed to make rent and other payments directly into one or more Rent Collection Accounts held in the name of one or more Borrowers, (ii) all such Rent Collection Accounts opened and held in the name of one or more Borrowers are in operation, (iii) all Rent Collection Accounts held in the name of the Fund Manager have been closed or transferred to one or more Borrowers and (iv) the Master Collection Account has either been closed or is in use as a Rent Collection Account, and upon receipt of written confirmation by the Issuer and the Security Trustee of receipt of such evidence, (i) the Fund Manager and the Borrowers shall be released from their respective obligation to transfer moneys standing to the credit of the Rent Collection Accounts held in the name of the Fund Manager at least once monthly to the Master Collection Account and (ii) the Fund Manager shall be released from its obligation to pledge the Rent Collection Accounts (formerly) held in its name.

The Account Pledges and the Repayment Account Pledge will be governed by Netherlands law.

Issuer Pledge Agreement

On or around the Closing Date, the Issuer will, pursuant to the 2012 Supplemental Issuer Pledge Agreement, create, to the extent possible (and to the extent not already created pursuant to the Original Issuer Pledge Agreement, the 2007 Supplemental Issuer Pledge Agreement, the 2008 Supplement Issuer Pledge Agreement or the 2010 Supplemental Issuer Pledge Agreement), a disclosed first ranking right of pledge (*openbaar pandrecht eerste in rang*), and to the extent that any Issuer Debtors (as defined below) have not been notified of the pledge of the Pledged Claims, an undisclosed first priority right of pledge (*stil pandrecht eerste in rang*) over the Pledged Claims. The Issuer further agrees to grant such right of pledge insofar as the same cannot be fully granted on or around the Closing Date. Such pledge shall be in the form prescribed by the Security Agreement and created pursuant to the issuer pledge agreement between the Issuer and the Security Trustee in order to secure and provide for the payment of the Issuer Secured Obligations.

For these purposes, '***Issuer Debtors***' shall mean any obligor in respect of the rights that the Issuer can exercise pursuant to or in connection with the Relevant Documents.

The Security Trustee may serve notice of the pledge (*mededeling van pandrecht*) of the Pledged Claims upon the Issuer Debtors and notify such Issuer Debtors that payment must be made in a designated bank account. Alternatively, the Security Trustee may require the Issuer to do so at the Issuer's expense.

The Issuer Pledge Agreement contains certain representations and warranties given by the Issuer to the Security Trustee (which representations shall be deemed repeated each time a Pledged Claim arises and in respect of such Pledged Claim) in respect of, *inter alia*, its entitlement to pledge its rights, title and interest in and to the Pledged Claims.

Further, the Issuer Pledge Agreement provides, that no Pledged Claims will be released or settled (except by payment in full) without the Security Trustee's prior written approval unless permitted by the Relevant Documents.

The Issuer Pledge Agreement will be governed by Netherlands law.

Liquidity Facility Agreement

Under the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider will continue to provide a 364 day commitment to permit a drawing under the liquidity facility (the '***Liquidity Facility***') to be made available up to a maximum aggregate principal amount of €99,750,000 (subject to a *pro rata* reduction in connection with a redemption of the Notes). In circumstances where the Issuer has insufficient funds available on an Interest Payment Date falling within such 364 day period to pay in full any of the items specified in (a) to (d) (inclusive) of the Issuer Pre-enforcement Priority of Payments (a '***Liquidity Shortfall***'), the Issuer may make a drawing under the Liquidity Facility. The Liquidity Facility will also be available to meet costs and expenses in relation to the establishment of any security interests pursuant to the Security Agreement and to repay any third party loans in circumstances where they may impede the enforcement of the security by the Security Trustee on behalf of the Noteholders. If any of the Notes are redeemed, there shall be a corresponding reduction in the aggregate principal

amount of the Liquidity Facility available for drawdown. The revised amount available for drawing under the Liquidity Facility will be re-calculated on each yearly renewal date of the Liquidity Facility Agreement on the terms provided therein. The Liquidity Facility Provider will be under no obligation to increase the maximum aggregate principal amount of the Liquidity Facility should the Issuer issue Further Notes or New Notes.

The Liquidity Facility Agreement provides that if, *inter alia*, at any time there is a downgrade of the short-term, unsecured, unsubordinated and unguaranteed debt of the Liquidity Facility Provider to lower than the LFP Requisite Ratings (except if within 60 calendar days of such event, the Liquidity Facility Provider is replaced by the Liquidity Facility Provider with a replacement liquidity facility provider which is an appropriately rated bank) or a guarantee for the Liquidity Facility Provider's obligations in favour of the Issuer has been issued by a guarantor having at least the LFP Requisite Rating which is in accordance with the guarantee criteria of S&P), or the Liquidity Facility Provider declines to renew the term of the Liquidity Facility, the Issuer may require the Liquidity Facility Provider to pay into a designated bank account of the Issuer (the '***Liquidity Standby Reserve Account***') maintained with the Liquidity Facility Provider or any other bank, having the LSRA Requisite Rating an amount equal to its undrawn commitment under the Liquidity Facility Agreement. Amounts standing to the credit of such account, subject to no Liquidity Facility Event of Default having occurred, will be available to the Issuer for drawing in the event of there being a Liquidity Shortfall, unless doing so would not be sufficient to cover the full amount of such shortfall, in which case no drawing under the Liquidity Facility Agreement can be made. After the occurrence of a Liquidity Facility Event of Default, all amounts standing to the credit of the Liquidity Standby Reserve Account will be held for the benefit of the Liquidity Facility Provider and can only be applied in or towards repayment of all amounts then due but unpaid to the Liquidity Facility Provider under the Liquidity Facility Agreement. The Issuer will also, in certain circumstances, replace the Liquidity Facility Provider provided that such Liquidity Facility Provider is replaced by an appropriately rated bank which has the LFP Requisite Ratings and all amounts outstanding to such Liquidity Facility Provider are repaid in full.

The Liquidity Facility Provider will have as at the Closing Date a rating assigned for its unsecured, unsubordinated and unguaranteed short-term debt obligations of F1+, P-1 and A-1+ from Fitch, Moody's and S&P, respectively and a long-term unsecured, unsubordinated and unguaranteed rating of AA by S&P.

With respect to the abovementioned description of the Liquidity Facility Agreement, the following expressions have the following meanings:

'LSRA Requisite Rating' a rating of (i) the short term unsecured, unsubordinated and unguaranteed debt obligations of F1 given by Fitch and the long-term unsecured, unsubordinated and unguaranteed debt obligations of A by Fitch, (ii) the short-term unsecured, unsubordinated and unguaranteed debt obligations of P-1 by Moody's and (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of AA by S&P (or such other short term or long term rating as is commensurate with the equivalent long term rating assigned to the Notes then outstanding by the Rating Agencies from time to time or which is otherwise acceptable to such Rating Agencies.

*'**Liquidity Facility Event of Default**'* means an event of default listed in clause 12.1 of the Liquidity Facility Agreement, including any failure by the Issuer to pay any amount of interest or principal due to the Liquidity Facility Provider, a failure to repay any advance under the Liquidity Facility Agreement, an Issuer Enforcement Notice is given by the Security Trustee, the occurrence of an Issuer Event of Default, a misrepresentation by the Issuer in certain Relevant Documents or repudiation by the Issuer in relation to certain Relevant Documents, subject to certain grace periods and materiality thresholds.

For the purpose of the Fitch rating criteria set out above, the Master Definitions Agreement provides that if at any time the Liquidity Facility Provider is on 'Rating Watch Negative' by Fitch, it shall be treated as one notch below its actual rating at that moment.

The Liquidity Facility Agreement is governed by Netherlands law.

The Original Hedging Agreement

The Issuer has the benefit of the Forward Swaps provided by the Original Hedging Provider under the Original Hedging Agreement. In addition to the Class A4 Forward Swap, the Issuer continues to have the benefit of a forward swap transaction entered into in connection with the Class A3 Notes under the Original Hedging Agreement until the scheduled termination date of such forward swap transaction, being 20 July 2012.

Under the terms of a Forward Swap, up to (and including) the Forward Swaps Expiry Date, the Issuer shall pay the Original Hedging Provider an amount calculated by reference to the interest rate specified in the relevant Forward Swap (such rate, a '***Forward Swap Rate***') calculated on the notional amount specified under the Forward Swap for the relevant period and the Original Hedging Provider shall pay the Issuer Euribor calculated (i) with respect to the Forward Swap originally relating to the Class A3 Notes (and now the Class A8 Notes), EUR 400,000,000 for the relevant period ending on 20 July 2012 as specified in such Forward Swap, and (ii) with respect to the Class A4 Forward Swap, the notional amount outstanding under the Class A4 Notes for the relevant period specified in the Class A4 Forward Swap.

Under the Original Hedging Agreement, the Issuer may in certain circumstances reduce the level of hedging provided to the Issuer under the Forward Swaps and/or novate the Forward Swaps to a third party subject to, amongst other things, the prior consent of the Original Hedging Provider. The Original Hedging Agreement provides that if in connection with a redemption of the relevant Notes the level of hedging under the relevant transaction is not reduced (by way of reduction of the amount of the transaction or novation of (part of) the transaction) or the approval of the Original Hedging Counterparty not to reduce the level of hedging has not been obtained, this could in certain circumstances result in an early termination of the relevant transaction, in which case a swap termination payment may become due.

Original Hedging Provider Ratings

On the Closing Date, the Original Hedging Provider will comply with the rating requirements under the Original Hedging Agreement as set out below.

The Original Hedging Provider is required to have a minimum rating of (i) F1 and A-1 by, respectively, Fitch or S&P (or any successor thereto) for its short-term, unguaranteed and unsubordinated and unsecured debt obligations, (ii) Prime-1 by Moody's for its unguaranteed, unsecured and unsubordinated short-term debt obligations, and (iii) A1 by Moody's for its unguaranteed, unsecured and unsubordinated long-term debt obligations.

Original Hedging Agreement Rating Criteria

S&P and Fitch: If any rating assigned to the Original Hedging Provider's short-term, unguaranteed and unsubordinated and unsecured debt obligations is reduced below F1 or A-1 by, respectively, Fitch or S&P (or any successor thereto) (the '***S&P and Fitch Required Ratings***' and together with the Moody's Required Ratings, as defined below, the '***Original Hedging Agreement Required Ratings***') or is withdrawn by Fitch or S&P, then the Original Hedging Provider shall, within thirty days of such reduction or withdrawal of any such rating, at the cost of the Original Hedging Provider, either (i) find a third party, acceptable to Fitch and S&P to guarantee the obligations of the Original Hedging Provider under the Original Hedging Agreement subject to prior written confirmation from each of Fitch and S&P that the identity of such third party and the terms of the guarantee will not adversely affect the rating of the Notes or (ii) provide credit support sufficient to maintain the rating of the Notes at the level which would have subsisted but for the then current rating of the Original Hedging Provider subject to prior written confirmation from each of Fitch and S&P that the reduction or withdrawal of the rating of the Original Hedging Provider will not adversely affect the rating of the Notes, or (iii) transfer and assign its rights and obligations under the Original Hedging Agreement to a replacement hedge provider subject to the prior written consent of the Issuer (which consent shall not be unreasonably withheld) and each of Fitch and S&P, provided that in the case of Fitch, if the short-term, unsecured and unsubordinated debt obligations of the Original Hedging Provider cease to be rated F2 or the long-term, unsecured and unsubordinated debt obligations of the Original Hedging Provider cease to be rated BBB+, or where the initial downgrade reduced the relevant rating to a level below F2 or BBB+ then only (i) and (iii) above, are the recommended actions of choice, and (ii) is acceptable only if the mark-to-market calculations and the correct and timely posting of collateral are verified by an independent third party, and if there is a further downgrade below a short-term unsecured and unsubordinated rating below F3 or a long-term unsecured and unsubordinated rating of BBB- only actions (i) and (iii) are acceptable. Any failure by the Original Hedging Provider to comply with its obligations under this paragraph shall constitute an Additional Termination Event (as defined in the Original Hedging Agreement) with respect to the Original Hedging Provider under the Original Hedging Agreement with the Original Hedging Provider as the sole Affected Party and may lead to a downgrading of the then applicable ratings assigned to the Notes.

Moody's: In the event (such event, a '***Moody's Level 1 Downgrade***') that, because of a withdrawal or downgrading of rating, the unguaranteed, unsecured and unsubordinated short-term debt obligations of the Original Hedging Provider fail to be rated at least Prime-1 by Moody's or the unguaranteed, unsecured and unsubordinated long-term debt obligations of the Original Hedging Provider fail to be rated at least A1 by Moody's, or Moody's ceases to assign a long-term or short-term senior unsecured debt rating to the Original Hedging Provider (the '***Moody's Required Ratings***') then unless Moody's confirms in writing that the then current rating of the Notes will not be downgraded or placed under review for possible downgrade as a result

of the Moody's Level 1 Downgrade, the Original Hedging Provider must, if the Moody's Level 1 Downgrade is then continuing, within 30 days of the occurrence of such Moody's Level 1 Downgrade take any one of the following four measures:

(i) put in place a mark-to-market collateral agreement in form and substance acceptable to Moody's (which may be based on credit support documentation published by the International Swaps and Derivatives Association, Inc. ('***ISDA***') or otherwise) which establishes a level of collateral (in the form of cash or securities or both) in accordance with its published criteria (the '***Moody's Criteria***') (or such less restrictive criteria as may be agreed with Moody's); or

(ii) procure the transfer of all rights and obligations of the Original Hedging Provider with respect to the Original Hedging Agreement to a replacement third party with the Original Hedging Agreement Required Ratings which is located in the same legal jurisdiction as the Original Hedging Provider or the Issuer (or such other jurisdiction that Moody's shall agree); or

(iii) procure a guarantor in respect of the obligations of the Original Hedging Provider under the Original Hedging Agreement, such guarantor may be a financial institution with the Original Hedging Agreement Required Ratings which is located in the same legal jurisdiction as the Original Hedging Provider or the Issuer (or such other jurisdiction that Moody's shall agree); or

(iv) take such other action as the Original Hedging Provider may agree with Moody's to remedy such downgrade and which such action results in the rating of all the Notes then outstanding being not rated lower than the rating of such Notes by Moody's immediately before the downgrade.

If the Original Hedging Provider does not take one of the four measures described above within such 30 day period, such failure shall constitute an Additional Termination Event with respect to the Original Hedging Provider on the 30th day following such Moody's Level 1 Downgrade with the Original Hedging Provider as the sole Affected Party and may lead to a downgrading of the then applicable ratings assigned to the Notes. The cost of putting in place each of the arrangements described in items (i), (ii), (iii) and (iv) shall be borne by the Original Hedging Provider in each case.

If the Original Hedging Provider elects to transfer all of its rights and obligations pursuant to provision (ii) above, the Original Hedging Provider shall procure that any such replacement third party agrees to accede to the terms of the Trust Deed and agrees to be bound by its terms.

In the event that the rating of the unguaranteed, unsecured, unsubordinated short-term debt of the Original Hedging Provider fails to be rated at least Prime-2 by Moody's, or the unguaranteed unsecured and unsubordinated long-term debt obligations of the Original Hedging Provider fail to be rated at least A3 by Moody's or Moody's ceases to assign a long-term or short-term senior unsecured debt rating to the Original Hedging Provider (the '***Moody's Level 2 Downgrade***'), the Original Hedging Provider will, at its own cost and expense, on a reasonable

efforts basis take one of the actions set out in (ii), (iii) or (iv) (the choice of action being the Original Hedging Provider's sole discretion) above within 30 days of this event. Pending compliance with the above, the Original Hedging Provider will take the actions set out in (i) above, within the later of (x) 10 days of the occurrence of a Moody's Level 2 Downgrade; and (y) 30 days of the occurrence of a Moody's Level 1 Downgrade, immediately, at its own cost, post such collateral or additional collateral, as applicable, (in the form of cash and securities or both) as is required in compliance with the Moody's Criteria (or such less restrictive criteria as may be agreed with Moody's). In the event that the Original Hedging Provider is unable to take one of the measures above described, this failure shall constitute an Additional Termination Event with respect to the Original Hedging Provider on the 30th day following the Moody's Level 2 Downgrade of the Original Hedging Provider with the Original Hedging Provider as the sole Affected Party and may lead to a downgrading of the then applicable ratings assigned to the Notes.

Issuer and Security Trustee to Co-operate

The Issuer and the Security Trustee shall use their reasonable endeavours to co-operate with the Original Hedging Provider in connection with such transfer of the rights and obligations of the Original Hedging Provider under the Original Hedging Agreement or (as the case may be) in putting in place such credit support documentation published by ISDA, or otherwise, including agreeing to such arrangements in such documentation as may satisfy Moody's, Fitch and S&P with respect to the operation and management of the collateral and entering into such documents as may be reasonably requested by the Original Hedging Provider in connection with the provision of such collateral.

Default by Original Hedging Provider

Similarly, if the Original Hedging Provider defaults in its obligations under the Original Hedging Agreement resulting in a termination of the Original Hedging Agreement, the Borrowers will be obliged to procure a replacement Original Hedging Provider for the Issuer to enter into with an appropriately rated entity within 60 days of such default unless the Rating Agencies confirm that there will be no downgrading of the Notes. For so long as there is no replacement Original Hedging Provider, the Borrowers will remain obliged to pay unhedged interest amounts on the Initial Term Loans pursuant to the Secured Loan Agreement.

If the Original Hedging Provider defaults in its obligations under the Original Hedging Agreement, any possible shortfall in the amount required by the Issuer to meet its obligations under item (d)(ii) in the Issuer Pre-enforcement Priority of Payments will be met through a drawing (subject to funds being available) under the Liquidity Facility Agreement.

Failure by the Borrowers to procure a Forward Swap or other hedging arrangement

Any failure by the Borrowers to procure a Forward Swap or other hedging arrangement when required to do so can lead to an event of default under the Secured Loan Agreement unless the Rating Agencies confirm that no downgrading of the Notes will occur as a result of the Issuer not having entered into a new interest rate hedging agreement.

Governing Law: The Original Hedging Agreement is governed by English law.

The Supplemental Hedging Agreements

2007 Supplemental Hedging Agreement

The Issuer will have the benefit of a forward swap transaction entered into in connection with the Class A5 Notes under the 2007 Supplemental Hedging Agreement, until the scheduled termination date of such forward swap transaction, being 20 July 2012. The terms of the 2007 Supplemental Hedging Agreement are equal to those of the 2008 Supplemental Hedging Agreement, save for any terms in relation to S&P which are as set out below.

2008 Supplemental Hedging Agreement and 2010 Supplemental Hedging Agreement

On 15 July 2008 the Issuer and the Class A6 Hedging Provider entered into the 2008 Supplemental Hedging Agreement as a result of which it has the benefit of the Class A6 Supplemental Forward Swap. On 16 April 2010 the Issuer and ABN AMRO entered into the 2010 Supplemental Hedging Agreement and on 17 June 2010 the Issuer and the Class A7 Hedging Provider entered into an interest rate swap confirmation as a result of which it has the benefit of the Class A7 Supplemental Forward Swap. On 4 April 2012, ABN AMRO, Rabobank and the Issuer entered into a novation agreement pursuant to which ABN AMRO has, among other things, novated its rights and obligations under the 2010 Supplemental Hedging Agreement to the Class A7 Hedging Provider as of 4 April 2012. Consequently, Rabobank is the hedging provider for each of the Class A6 Notes, the Class A7 Notes and, as of the Closing Date, the Class A8 Notes.

2012 Supplemental Hedging Agreement

On 18 April 2012, the Issuer will enter into the Class A8 Novation Deed between, *inter alios*, the Fund Manager and the Class A8 Hedging Provider. Pursuant to the Class A8 Novation Deed, (a) the Issuer will assume the benefit of a forward interest rate swap transaction in connection with the Class A8 Notes entered pursuant to an ISDA Master Agreement between the Fund Manager and the Class A8 Hedging Provider and (b) the ISDA Master Agreement between the Fund Manager and the Class A8 Hedging Provider has been amended and restated in the form set out in the Class A8 Novation Deed.

Terms of the Supplemental Hedging Agreements

Under the terms of the Supplemental Swaps, during the period up to (and including) the relevant Forward Swap Expiry Date or, in relation to the Class A7 Notes, the Class A7 Swap Expiry Date, or, in relation to the Class A8 Notes, the Class A8 Swap Expiry Date, the Issuer shall pay the relevant New Hedging Provider an amount calculated by reference to the interest rate specified in the relevant Supplemental Swap (such rates respectively, the '***Class A6 Supplemental Forward Swap Rate***', the '***Class A7 Supplemental Forward Swap Rate***' and the '***Class A8 Supplemental Forward Swap Rate***') calculated on the notional amount specified under the relevant Supplemental Swap for the relevant period and:

(i) with respect to the Class A5 Supplemental Forward Swap (now relating to the Class A8 Notes), the Class A5 Hedging Provider shall pay the Issuer Euribor

calculated on EUR 350,000,000 for the relevant period ending on 20 July 2012 as specified in the Class A5 Supplemental Forward Swap;

(ii) with respect to the Class A6 Supplemental Forward Swap, the Class A6 Hedging Provider shall pay the Issuer Euribor calculated on the notional amount outstanding under the Class A6 Notes for the relevant period specified in the Class A6 Supplemental Forward Swap;

(iii) with respect to the Class A7 Supplemental Forward Swap, the Class A7 Hedging Provider shall pay the Issuer Euribor calculated on the notional amount outstanding under the Class A7 Notes for the relevant period specified in the Class A7 Supplemental Forward Swap; and

(iv) with respect to the Class A8 Supplemental Forward Swap the Class A8 Hedging Provider shall pay to the Issuer Euribor calculated on the basis of the notional amount specified under the Class A8 Supplemental Forward Swap, for the relevant period starting on 20 July 2012 and ending as specified in the Class A8 Supplemental Forward Swap.

Under the terms of the Supplemental Swaps, the Issuer may in certain circumstances reduce the level of hedging provided to the Issuer under the relevant Supplemental Swap and/or novate such Supplemental Swap to a third party subject to, amongst other things, the prior consent of the relevant New Hedging Provider. Each Supplemental Hedging Agreement provides that if in connection with a redemption of the Notes the level of hedging under such Supplemental Swap is not reduced (by way of reduction of the amount of the transaction or novation of (part of) the transaction) or the approval of the relevant New Hedging Provider not to reduce the level of hedging has not been obtained, this could in certain circumstances result in an early termination of the relevant Supplemental Swap, in which case a swap termination payment may become due.

Class A5 Hedging Provider, Class A6 Hedging Provider and Class A7 Hedging Provider Ratings

On the Closing Date, each of the Class A5 Hedging Provider, Class A6 Hedging Provider, the Class A7 Hedging Provider and the Class A8 Hedging Provider will comply with the rating requirements under the 2007 Supplemental Hedging Agreement, the 2008 Supplemental Hedging Agreement and 2010 Supplemental Hedging Agreement, respectively, as set out below.

Each Further Hedging Provider is required to have (i) a minimum rating assigned to its short-term, unguaranteed, unsubordinated and unsecured debt obligations equal to the S&P and Fitch Required Ratings, and (ii) minimum ratings assigned to its short-term, unguaranteed, unsubordinated and unsecured debt obligations and its long-term unguaranteed, unsecured and unsubordinated debt obligations equal to the Moody's Required Ratings, and (iii) a minimum rating assigned to its unguaranteed, unsecured and unsubordinated long-term debt obligations equal to or above A by Fitch.

Class A8 Hedging Provider Ratings

The Class A8 Hedging Provider is required to have (i) minimum ratings of F1 by Fitch for its short-term, unguaranteed, unsubordinated and unsecured debt obligations and A by Fitch for its long-term unguaranteed, unsecured and unsubordinated debt obligations, (ii) a minimum rating of A-1 by S&P for its short-term, unguaranteed, unsubordinated and unsecured debt obligations, and (iii) minimum ratings of either (x) A1 by Moody's for its unguaranteed, unsecured and unsubordinated long-term debt obligations when it is not subject to a rating by Moody's for its unguaranteed, unsecured and unsubordinated short-term debt obligations, or (y) Prime-1 by Moody's for its unguaranteed, unsecured and unsubordinated short-term debt obligations and A2 by Moody's for its unguaranteed, unsecured and unsubordinated long-term debt obligations.

S&P Rating Criteria applicable to the 2007 Supplemental Hedging Agreement

S&P: If any rating assigned to a Further Hedging Provider's short-term, unguaranteed and unsubordinated and unsecured debt obligations is reduced below A-1 by S&P (or any successor thereto) or any such rating is withdrawn by S&P, then the relevant Further Hedging Provider shall, within thirty days of such reduction or withdrawal of any such rating, at the cost of such Further Hedging Provider, either (i) find a third party, acceptable to S&P to guarantee the obligations of such Further Hedging Provider under the 2007 Supplemental Hedging Agreement subject to prior written confirmation from S&P that the identity of such third party and the terms of the guarantee will not adversely affect the rating of the Notes or (ii) provide credit support sufficient to maintain the rating of the Notes at the level which would have subsisted but for the then current rating of such New Hedging Provider subject to prior written confirmation from S&P that the reduction or withdrawal of the rating of such Further Hedging Provider will not adversely affect the rating of the Notes, or (iii) transfer and assign its rights and obligations under the 2007 Supplemental Hedging Agreement to a replacement hedge provider subject to the prior written consent of the Issuer (which consent shall not be unreasonably withheld) and S&P. Any failure by such Further Hedging Provider to comply with its obligations under this paragraph shall constitute an Additional Termination Event (as defined in the 2007 Supplemental Hedging Agreements) with respect to such Further Hedging Provider under such Supplemental Hedging Agreement with the relevant Further Hedging Provider as the sole Affected Party (as defined in the relevant Supplemental Hedging Agreement) and may lead to a downgrading of the then applicable ratings assigned to the Notes.

Fitch and Moody's Rating Criteria applicable to the 2008 Supplemental Hedging Agreement

Fitch: If any rating assigned to a Further Hedging Provider's short-term, unguaranteed and unsubordinated and unsecured debt obligations is reduced below the Fitch Required Ratings, or, the unguaranteed, unsecured and unsubordinated long-term debt obligations of the Class A6 Hedging Provider fail to be rated at least A by Fitch, or any such rating is withdrawn by Fitch, then the relevant Further Hedging Provider shall, within thirty days of such reduction or withdrawal of any such rating, at the cost of such Further Hedging Provider, either (i) find a third party, acceptable to Fitch to guarantee the obligations of such Further Hedging Provider under

the relevant Supplemental Hedging Agreement subject to prior written confirmation from Fitch that the identity of such third party and the terms of the guarantee will not adversely affect the rating of the Notes or (ii) provide credit support sufficient to maintain the rating of the Notes at the level which would have subsisted but for the then current rating of such New Hedging Provider subject to prior written confirmation from Fitch that the reduction or withdrawal of the rating of such Further Hedging Provider will not adversely affect the rating of the Notes, or (iii) transfer and assign its rights and obligations under the relevant Supplemental Hedging Agreement to a replacement hedge provider subject to the prior written consent of the Issuer (which consent shall not be unreasonably withheld) and of Fitch, provided that if the short-term, unsecured and unsubordinated debt obligations of such Further Hedging Provider cease to be rated F2 or the long-term, unsecured and unsubordinated debt obligations of such Further Hedging Provider cease to be rated BBB+, or where the initial downgrade reduced the relevant rating to a level below F2 or BBB+ then only (i) and (iii) above, are the recommended actions of choice, and (ii) is acceptable only if the mark-to-market calculations and the correct and timely posting of collateral are verified by an independent third party, and if there is a further downgrade below a short-term unsecured and unsubordinated rating below F3 or a long-term unsecured and unsubordinated rating of BBB- only actions (i) and (iii) are acceptable. Any failure by such Further Hedging Provider to comply with its obligations under this paragraph shall constitute an Additional Termination Event (as defined in each Supplemental Hedging Agreements) with respect to such Further Hedging Provider under such Supplemental Hedging Agreement with the relevant Further Hedging Provider as the sole Affected Party (as defined in the relevant Supplemental Hedging Agreement) and may lead to a downgrading of the then applicable ratings assigned to the Notes.

Moody's: In the event of a Moody's Level 1 Downgrade in respect of a Further Hedging Provider, then unless Moody's confirms in writing that the then current rating of the Notes will not be downgraded or placed under review for possible downgrade as a result of the Moody's Level 1 Downgrade, such Further Hedging Provider must, if the Moody's Level 1 Downgrade is then continuing, within 30 days of the occurrence of such Moody's Level 1 Downgrade take any one of the following four measures:

(i) put in place a mark-to-market collateral agreement in form and substance acceptable to Moody's (which may be based on credit support documentation published by ISDA or otherwise) which establishes a level of collateral (in the form of cash or securities or both) in accordance with the Moody's Criteria (or such less restrictive criteria as may be agreed with Moody's); or

(ii) procure the transfer of all rights and obligations of such Further Hedging Provider with respect to the relevant Supplemental Hedging Agreement to a replacement third party with the Moody's Required Ratings which is located in the same legal jurisdiction as such Further Hedging Provider or the Issuer (or such other jurisdiction that Moody's shall agree); or

(iii) procure a guarantor in respect of the obligations of such Further Hedging Provider under the relevant Supplemental Hedging Agreement, such guarantor may be a financial institution with the Moody's Required Ratings which is located in the

same legal jurisdiction as such Further Hedging Provider or the Issuer (or such other jurisdiction that Moody's shall agree); or

(iv) take such other action as such Further Hedging Provider may agree with Moody's to remedy such downgrade and which such action results in the rating of all the Notes then outstanding being not rated lower than the rating of such Notes by Moody's immediately before the downgrade.

If the relevant Further Hedging Provider does not take one of the four measures described above within such 30 day period, such failure shall constitute an Additional Termination Event (as defined in each Supplemental Hedging Agreement) with respect to such Further Hedging Provider on the 30th day following such Moody's Level 1 Downgrade with such Further Hedging Provider as the sole Affected Party and may lead to a downgrading of the then applicable ratings assigned to the Notes. The cost of putting in place each of the arrangements described in items (i), (ii), (iii) and (iv) shall in each case be borne by the relevant Further Hedging Provider.

If the relevant Further Hedging Provider elects to transfer all of its rights and obligations pursuant to provision (ii) above, such Further Hedging Provider shall procure that any such replacement third party agrees to accede to the terms of the Trust Deed and agrees to be bound by its terms.

In the event of a Moody's Level 2 Downgrade in respect of a Further Hedging Provider, such Further Hedging Provider will, at its own cost and expense, on a reasonable efforts basis take one of the actions set out in (ii), (iii) or (iv) (the choice of action being such Further Hedging Provider's sole discretion) above within 30 days of this event. Pending compliance with the above, such Further Hedging Provider will take the actions set out in (i) above, within the later of (x) 10 days of the occurrence of a Moody's Level 2 Downgrade; and (y) 30 days of the occurrence of a Moody's Level 1 Downgrade, immediately, at its own cost, post such collateral or additional collateral, as applicable, (in the form of cash and securities or both) as is required in compliance with the Moody's Criteria (or such less restrictive criteria as may be agreed with Moody's). In the event that the relevant Further Hedging Provider is unable to take one of the measures above described, this failure shall constitute an Additional Termination Event (as defined in each Supplemental Hedging Agreement) with respect to such Further Hedging Provider on the 30th day following the Moody's Level 2 Downgrade of such Further Hedging Provider with such Further Hedging Provider as the sole Affected Party (as defined in each Supplemental Hedging Agreement) and may lead to a downgrading of the then applicable ratings assigned to the Notes.

S&P Rating Criteria applicable to the 2008 Supplemental Hedging Agreement, 2010 Supplemental Hedging Agreement Rating Criteria and the 2012 Supplemental Hedging Agreement

S&P: If any rating assigned to the Class A6 Hedging Provider's, the Class A7 Hedging Provider's or the Class A8 Hedging Provider's or their respective credit support provider's long-term, unsecured and unsubordinated debt obligations is reduced below A by S&P in case of

rating of the Notes of AAA(sf) by S&P (the '**S&P Required Rating**') (or any successor thereto, or such rating is withdrawn by S&P, then:

(A) the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, will, within the period that commences on (and includes) the date on which the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, ceases to have the S&P Required Rating (the '***S&P Rating Event***') occurs and ends on (and includes) either (i) the 10th Business Day following the date on which such S&P Rating Event occurs or (ii) if the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, has, on or before the 10th Business Day following the date on which such S&P Rating Event occurs submitted a written proposal for collateral posting to S&P (and the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, has subsequently received written confirmation from S&P of its approval of such written proposal), then the 20th Business Day following the date on which such S&P Rating Event occurs (the '***Initial Remedy Period***') post collateral for its obligations in accordance with the terms of the Credit Support Annex, and will subsequently notify S&P that it has taken such action, until such S&P Rating Event ceases to exist or until such time as it takes one of the actions set out below) or will take one of the actions set out below; and

(B) the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, may, at any time following the occurrence of such S&P Rating Event at its own discretion, and at its own cost:

(1) subject to the 2008 Supplemental Hedging Agreement, the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement, as the case may be, transfer all of its rights and obligations with respect to such Agreement to a replacement third party;

(2) procure, another person with the S&P Required Rating to become co obligor or guarantor, (with any such guarantee complying with S&P's relevant guarantee criteria), in respect of the obligations of the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, under the 2008 Supplemental Hedging Agreement, the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement, respectively, and will subsequently notify S&P that it has taken such action; or

(3) take such other action as will result in the rating of the Notes following the taking of such action being maintained at, or restored to, the level they were at immediately prior to such S&P Rating Event.

In the event that neither the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, (or its successor) nor its credit support provider from time to time have the Subsequent S&P Required Rating (a '***Subsequent S&P Rating Event***'), then the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be,

(A) will:

(1) if the Subsequent S&P Rating Event occurs at a time when an S&P Rating Event was continuing and the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, is obliged to post collateral as a result of such S&P Rating Event, continue to post collateral in accordance with the paragraph above until such time as it takes one of the actions set out below; or,

(2) if the Subsequent S&P Rating Event occurs at a time when no S&P Rating Event was continuing, within the Subsequent Collateral Remedy Period (and at all times thereafter until such Subsequent S&P Rating Event and any S&P Rating Event cease to exist or until such time as it takes one of the actions set out below) post collateral in accordance with the terms of the Credit Support Annex hereto, and will subsequently notify S&P that it has taken such action, or take one of the actions set out below; and

(B) within the Subsequent Remedy Period will, at its own cost, either:

(1) subject to the 2008 Supplemental Hedging Agreement, the 2010 Supplemental Hedging Agreement and the 2012 Supplemental Hedging Agreement, respectively, transfer all of its rights and obligations with respect to such agreement to a replacement third party; or

(2) procure, another person with the S&P Required Rating to become co obligor or guarantor (with any guarantee complying with S&P's relevant guarantee criteria) in respect of the obligations of the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, under the 2008 Supplemental Hedging Agreement, the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement, respectively, and will subsequently notify S&P that it has taken such action; or

(3) take such other action as will result in the rating of the Notes following the taking of such action being maintained at, or restored to, the level they were at immediately prior to such Subsequent S&P Rating Event.

Each of the following provisions (A), (B) and (C) is without prejudice to the consequences of the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, (x) breaching any other provision of the 2008 Supplemental Hedging Agreement, the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement, respectively, as the case may be, other than

the provisions to which each such provision refers or (y) failing to post collateral under the Credit Support Annex in accordance with the criteria of any rating agency other than the rating agency to which each such provision refers.

(A) If the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, does not take the measures described above, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, on the Business Day following the last day of the Initial Remedy Period, with the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, as the sole Affected Party and all Transactions as Affected Transactions;

(B) If the Subsequent S&P Rating Event occurs at a time when no S&P Rating Event was continuing and the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, does not take the measures described above such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, on the Business Day following the last day of the Subsequent Collateral Remedy Period, with the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, as the sole Affected Party and all Transactions as Affected Transactions; and

(C) If the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, does not take one of the measures described above such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, on the Business Day following the last day of the Subsequent Remedy Period, with the Class A6 Hedging Provider, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, as the sole Affected Party and all Transactions as Affected Transactions.

Fitch and Moody's Rating Criteria applicable to 2010 Supplemental Hedging Agreement and 2012 Supplemental Hedging Agreement

Fitch: In the event that the short-term, unsecured and unsubordinated debt obligations of both (i) the Class A7 Hedging Provider or Class A8 Hedging Provider, as the case may be, and (ii) any Credit Support Provider (as defined in the 2010 Supplemental Hedging Agreement) from time to time in respect of the Class A7 Hedging Provider (a '***Class A7 Credit Support Provider***') or Credit Support Provider (as defined in the 2012 Supplemental Hedging Agreement) from time to time in respect of the Class A8 Hedging Provider (a '***Class A8 Credit Support Provider***'), as the case may be, cease to be rated at least as high as F1 or the long-term, unsecured and unsubordinated debt obligations of both (i) the Class A7 Hedging Provider or the Class A8

Hedging Provider and (ii) any Class A7 Credit Support Provider or the Class A8 Credit Support Provider, cease to be rated at least as high as A (the '***Fitch Class A7 and A8 Required Ratings***') by Fitch (an '***Initial Fitch Class A7 and A8 Rating Event***') then the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, will, on a reasonable efforts basis, at its own cost, within 14 days of occurrence of such Initital Fitch Rating Event:

(i) transfer collateral in accordance with the provisions of the Class A7 Credit Support Annex or the Class A8 Credit Support Annex, as the case may be;

(ii) transfer all of its rights and obligations with respect to the 2010 Supplemental Hedging Agreement or 2012 Supplemental Hedging Agreement, as the case may be, to either (x) a replacement third party with the Fitch Class A7 and A8 Required Ratings, or (y) a replacement third party agreed by Fitch;

(iii) procure another person to become co-obligor or guarantor in respect of the obligations of the Class A7 Hedging Provider under the 2010 Supplemental Hedging Agreement or Class A8 Hedging Provider under the 2012 Supplemental Hedging Agreement, as the case may be. Such co-obligor or guarantor may be either (x) a person with the Fitch Class A7 and A8 Required Ratings, or (y) a person agreed by Fitch; or

(iv) solely in relation to the 2010 Supplemental Hedging Agreement, take such other action as the Class A7 Hedging Provider may agree with Fitch, including, without limitation, obtaining written confirmation from Fitch that the rating of the Notes will be maintained at, or restored to, the level it would have been at immediately prior to such Initial Fitch Class A7 and A8 Rating Event.

In the event that the short-term, unsecured and unsubordinated debt obligations of both (i) the Class A7 Hedging Provider and (ii) any Class A7 Credit Support Provider or (a) the Class A8 Hedging Provider and (b) any Class A8 Credit Support Provider, in each case cease to be rated at least as high as F2 or the long-term, unsecured and unsubordinated debt obligations of both (i) the Class A7 Hedging Provider and (ii) any Class A7 Credit Support or (a) Class A8 Hedging Provider and (b) any Class A8 Credit Support, in each case cease to be rated at least as high as BBB+ by Fitch (a '***First Subsequent Fitch Class A7 and A8 Rating Event***') then the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, will:

(A) on a reasonable efforts basis within 30 days of the occurrence of such First Subsequent Fitch Class A7 and A8 Rating Event, at its own cost, attempt either to:

(i) transfer all of its rights and obligations with respect to the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement to either (x) a replacement third party with the Fitch Class A7 and A8 Required Ratings, or (y) a replacement third party agreed by Fitch;

(ii) procure another person to become co-obligor or guarantor in respect of the obligations of the Class A7 Hedging Provider under the 2010 Supplemental Hedging Agreement or the Class A8 Hedging Provider

under the 2012 Supplemental Hedging Agreement. Such co-obligor or guarantor may be either (x) a person with the Fitch Class A7 and A8 Required Ratings, or (y) a person agreed by Fitch; or

(iii) solely in relation to the 2010 Supplemental Hedging Agreement, take such other action as the Class A7 Hedging Provider, may agree with Fitch including, without limitation, obtaining written confirmation with Fitch that the rating of the Notes following the taking of such action will be maintained at, or restored to, the level it would have been at immediately prior to such First Subsequent Fitch Class A7 and A8 Rating Event; and

(B) within 14 days of the occurrence of such First Subsequent Fitch Class A7 and A8 Rating Event, pending compliance with paragraph (A)(i), (A)(ii) or (A)(iii) above, transfer collateral in accordance with the provisions of the Class A7 Credit Support Annex or Class A8 Credit Support Annex, as the case may be, provided that, if, at the time a First Subsequent Fitch Class A7 and A8 Rating Event occurs, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, has already provided collateral following an Initial Fitch Class A7 and A8 Rating Event, it will continue to post collateral notwithstanding the occurrence of a First Subsequent Fitch Class A7 and A8 Rating Event.

In the event that the long-term, unsecured and unsubordinated debt obligations of both (i) the Class A7 Hedging Provider and (ii) any Class A7 Credit Support Provider or (a) the Class A8 Hedging Provider and (b) any Class A8 Credit Support Provider, as the case may be, cease to be rated at least as high as BBB- by Fitch or the rating of the short-term, unsecured and unsubordinated debt obligations of the Class A7 Hedging Provider, the Class A8 Hedging Provider, any Class A7 Credit Support Provider or any Class A8 Credit Support Provider, cease to be rated at least as high as F3 by Fitch and as a result of such cessation, the then current rating of the Notes is downgraded or placed on credit watch for possible downgrade by Fitch (a '***Second Subsequent Fitch Class A7 and A8 Rating Event***'), the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, will

(X) on a reasonable efforts basis within 30 days of the occurrence of such Second Subsequent Fitch Class A7 and A8 Rating Event, at its own cost, attempt either to:

(i) transfer all of its rights and obligations under the 2010 Supplemental Hedging Agreement or 2012 Supplemental Hedging Agreement, as the case may be, to a replacement third party whose long-term, unsecured and unsubordinated debt obligations are rated at least A by Fitch and whose short-term, unsecured and unsubordinated debt obligations are rated at least F1 by Fitch or, in either case, such lower rating as is commensurate with the rating assigned to the Notes by Fitch from time to time;

(ii) procure another person to become a co-obligor or guarantor in respect of the obligations of the Class A7 Hedging Provider with respect to the 2010 Supplemental Hedging Agreement or the Class A8 Hedging Provider with

respect to the 2012 Supplemental Hedging Agreement, whose long-term, unsecured and unsubordinated debt obligations are rated at least A by Fitch and whose short-term, unsecured and unsubordinated debt obligations are rated at least F1 by Fitch or, in either case, such lower rating as is commensurate with the rating assigned to the Notes by Fitch from time to time; or

(iii) solely in relation to the 2010 Supplemental Hedging Agreement, take such other action as the Class A7 Hedging Provider may agree with Fitch as will result in the rating of the Notes following the taking of such action being maintained at, or restored to, the level it was at immediately prior to such Second Subsequent Fitch Class A7 and A8 Rating Event.

(Y) within 14 days of the occurrence of the Second Subsequent Fitch Class A7 and A8 Rating Event, pending compliance with paragraph (X)(i), (X)(ii) or (X)(iii) above, provide collateral in the form of cash or securities or both in support of (i) its obligations under the 2010 Supplemental Hedging Agreement in accordance with the provisions of the Class A7 Credit Support Annex or (ii) its obligations under the 2012 Supplemental Hedging Agreement in accordance with the provisions of the Class A8 Credit Support Annex, as the case may be.

If, following the occurrence of an Initial Fitch Class A7 and A8 Rating Event, First Subsequent Fitch Class A7 and A8 Rating Event or a Second Subsequent Fitch Class A7 and A8 Rating Event, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, does not take the relevant measures described in the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement, as the case may be, such failure will not be or give rise to an Event of Default (as defined in the 2010 Supplemental Hedging Agreement or 2012 Supplemental Hedging Agreement, as the case may be) but will constitute an Additional Termination Event (as defined in the 2010 Supplemental Hedging Agreement or 2012 Supplemental Hedging Agreement, as the case may be) with respect to the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, which will be deemed to have occurred on (i) the fourteenth day following the Initial Fitch Class A7 and A8 Rating Event, otherwise (ii) the thirtieth day following the Initial Fitch Class A7 and A8 Rating Event, First Subsequent Fitch Class A7 and A8 Rating Event or Second Subsequent Class A7 and A8 Fitch Rating, as applicable, with (i) the Class A7 Hedging Provider as the sole Affected Party (as defined in the 2010 Supplemental Hedging Agreement) and all Transactions (as defined in the 2010 Supplemental Hedging Agreement) as Affected Transactions (as defined in the 2010 Supplemental Hedging Agreement) or (ii) the Class A8 Hedging Provider under the 2012 Supplemental Hedging Agreement with the Class A8 Hedging Provider as the sole Affected Party (as defined in the 2012 Supplemental Hedging Agreement), and in each case, may lead to a downgrading of the then applicable ratings assigned to the Notes.

For the purpose of the Fitch rating criteria set out above, each of the 2010 Supplemental Hedging Agreement and the 2012 Supplemental Hedging Agreement provides that if at any time the Class A7 Hedging Provider or Class A8 Hedging Provider, as the case may be, is on 'Rating Watch Negative' by Fitch, it shall be treated as one notch below its actual rating at that moment.

Moodys: Pursuant to the 2010 Supplemental Hedging Agreement and the 2012 Supplemental Hedging Agreement, so long as the Moody's First Rating Trigger Requirements apply, the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, must within 30 business days post sufficient collateral (in the form of cash or securities or both) in accordance with the requirements of the Class A7 Credit Support Annex or the Class A8 Credit Support Annex, as the case may be.

So long as the Moody's Second Rating Trigger Requirements apply, the Class A7 Hedging Provider or the Class A8 Hedging Provider will, at its own cost, use commercially reasonable efforts to, as soon as reasonably practicable, procure either (A) a Moody's Eligible Guarantee in respect of all of (i) Class A7 Hedging Provider's present and future obligations under the 2010 Supplemental Hedging Agreement or (ii) Class A8 Hedging Provider's present and future obligations under the 2012 Supplemental Hedging Agreement, as the case may be, in each case by a guarantor with the Moody's Second Trigger Required Ratings or (B) a transfer (at its own costs) of its rights and obligations with respect to the 2010 Supplemental Hedging Agreement or 2012 Supplemental Hedging Agreement, as the case may be, to any other entity that is a Moody's Eligible Replacement.

Issuer and Security Trustee to Co-operate

The Issuer and the Security Trustee shall use their reasonable endeavours to co-operate with the relevant New Hedging Provider in connection with the transfer of the rights and obligations of such New Hedging Provider under the relevant Supplemental Hedging Agreement or (as the case may be) in putting in place such credit support documentation published by ISDA and/or posting of collateral accordance with the relevant credit support documentation, as described above, or otherwise, including agreeing to such arrangements in such documentation as may satisfy Moody's, Fitch and S&P with respect to the operation and management of the collateral and entering into such documents as may be reasonably requested by such New Hedging Provider in connection with the provision of such collateral.

2010 Supplemental Hedging Agreement and 2012 Supplemental Hedging Agreement Defined Terms

With respect to the above-mentioned rating criteria under the 2010 Supplemental Hedging Agreement and the 2012 Supplemental Hedging Agreement, the following expressions have the following meanings:

'***Moody's Eligible Guarantee***' means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by the Issuer, where (i) such guarantee provides that if a guaranteed obligation cannot be performed without an action being taken by the Class A7 Hedging Provider or the Class A8 Hedging Provider, the guarantor shall use its best endeavours to procure that the Class A7 Hedging Provider or the Class A8 Hedging Provider takes such action, (ii)(a) a reputable law firm has given a legal opinion confirming that none of the guarantor's payments to the Issuer under such guarantee will be subject to deduction or withholding for tax and such opinion has been disclosed to Moody's, (b) such guarantee provides that, in the event that any of such guarantor's payments to the Issuer are subject to deduction or withholding for tax, such guarantor is required

to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of any tax) will equal the full amount the Issuer would have received had no such deduction or withholding been required or (c) in the event that any payment (the '***Primary Payment*** ') under such guarantee is made net of deduction or withholding for tax, the Class A7 Hedging Provider and the Class A8 Hedging Provider is required, under the 2010 Supplemental Hedging Agreement and the 2012 Supplemental Hedging Agreement, respectively, to make such additional payment (the '***Additional Payment*** ') as is necessary to ensure that the net amount actually received by the Issuer from the guarantor (free and clear of any tax) in respect of the Primary Payment and the Additional Payment will equal the full amount the Issuer would have received had no such deduction or withholding been required (assuming that the guarantor will be required to make a payment under such guarantee in respect of the Additional Payment) and (iii) the guarantor waives any right of set-off in respect of payments under such guarantee.

'***Moody's Eligible Replacement***' means an entity that could lawfully perform the obligations owing to the Issuer under the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement or its replacement (as applicable) (i) with the Moody's Second Trigger Required Ratings or (ii) whose present and future obligations owing to the Issuer under the 2010 Supplemental Hedging Agreement or the 2012 Supplemental Hedging Agreement or its replacement (as applicable) are guaranteed pursuant to a Moody's Eligible Guarantee provided by a guarantor with the Moody's Second Trigger Required Ratings.

'***Moody's Relevant Entities***' means the Class A7 Hedging Provider and the Class A8 Hedging Provider and any guarantor under a Moody's Eligible Guarantee in respect of all of Class A7 Hedging Provider's or Class A8 Hedging Provider's present and future obligations under the 2010 Supplemental Hedging Agreement and the 2012 Supplemental Hedging Agreement, respectively and '***Moody's Relevant Entity***' means any one of them.

The '***Moody's First Rating Trigger Requirements***' shall apply so long as no Moody's Relevant Entity has the Moody's First Trigger Required Ratings.

An entity shall have the '***Moody's First Trigger Required Ratings***' (i) where such entity is the subject of a Moody's Short-term Rating, if such rating is "Prime-1" and its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A2" or above by Moody's and (ii) where such entity is not the subject of a Moody's Short-term Rating, if its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A1" or above by Moody's.

'***Moody's Short-term Rating***' means a rating assigned by Moody's under its short-term rating scale in respect of an entity's short-term, unsecured and unsubordinated debt obligations.

The '***Moody's Second Rating Trigger Requirements***' shall apply so long as no Moody's Relevant Entity has the Moody's Second Trigger Required Ratings.

An entity shall have the '***Moody's Second Trigger Required Ratings***' (i) where such entity is the subject of a Moody's Short-term Rating, if such rating is "Prime-2" or above and its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A3" or

above by Moody's and (ii) where such entity is not the subject of a Moody's Short-term Rating, if its long-term, unsecured and unsubordinated debt or counterparty obligations are rated "A3" or above by Moody's.

'***Subsequent S&P Required Rating***' means that the long term, unsecured and unsubordinated debt obligations of an entity are rated by S&P at least as highly as the rating set out in the table in the column headed 'Subsequent S&P Required Rating' as set out in the 2010 Supplemental Hedging Agreement and the 2012 Supplemental Hedging Agreement, respectively, as being the minimum counterparty rating to support a security with the rating assigned by S&P the most senior class of Notes outstanding at such time (or, in the event that the most senior class of Notes outstanding at such time are downgraded by S&P as a result of a downgrade of the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, or its credit support provider, the rating as was assigned to the most senior class of Notes outstanding at such time by S&P immediately prior to such downgrade of the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, or its credit support provider).

'***Subsequent Collateral Remedy Period***' means the period that commences on (and includes) the date on which a Subsequent S&P Rating Event occurs and ends on (and includes) either (i) the 10th Business Day following the date on which such Subsequent S&P Rating Event occurs or (ii) if Party B has (on or before the 10th Business Day following the date on which such Subsequent S&P Rating Event occurs) submitted a written proposal for collateral posting to S&P, then the 20th Business Day following the date on which such Subsequent S&P Rating Event occurs.

'***Subsequent Remedy Period***' means the period that commences on (and includes) the date on which a Subsequent S&P Rating Event occurs and ends on (and includes) either (i) the 60th calendar day following the date on which such Subsequent S&P Rating Event occurs or (ii) if the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, has, on or before the 60th calendar day following the date on which such Subsequent S&P Rating Event occurs submitted a written proposal for collateral posting to S&P (and the Class A7 Hedging Provider or the Class A8 Hedging Provider, as the case may be, has subsequently received written confirmation from S&P of its approval of such written proposal), then the 90th calendar day following the date on which such Subsequent S&P Rating Event occurs.

Default by New Hedging Provider

Similarly, if a New Hedging Provider defaults in its obligations under a Supplemental Hedging Agreement resulting in a termination of such Supplemental Hedging Agreement, the Borrowers will be obliged to procure a replacement New Hedging Provider for the Issuer to enter into with an appropriately rated entity within 60 days of such default unless the Rating Agencies confirm that there will be no downgrading of the Notes. For so long as there is no replacement New Hedging Provider, the Borrowers will remain obliged to pay unhedged interest amounts on the Term A6 Loan, the Term A7 Loan or the Term A8 Loan (as the case may be) pursuant to the Secured Loan Agreement.

If a New Hedging Provider defaults in its obligations under the relevant Supplemental Hedging Agreement, any possible shortfall in the amount required by the Issuer to meet its

obligations under item (d)(ii) in the Issuer Pre-enforcement Priority of Payments will be met through a drawing (subject to funds being available) under the Liquidity Facility Agreement.

Failure by the Borrowers to procure a replacement Supplemental Swap or other hedging arrangement

Any failure by the Borrowers to procure a replacement Supplemental Swap or other hedging arrangements when required to do so can lead to an event of default under the Secured Loan Agreement unless the Rating Agencies confirm that no downgrading of the Notes will occur as a result of the Issuer not having entered into a new interest rate hedging agreement.

Governing Law: The Supplemental Hedging Agreements are governed by English law.

Bank Account and Cash Management Agreement

The Bank Account and Cash Management Agreement provides that the Account Bank maintains certain bank accounts and performs certain cash management functions for the Issuer. The Account Bank agrees, among other things, not to exercise any rights of set-off or consolidation in respect of the accounts of the Issuer. The Account Bank may, on behalf of the Issuer, make payments out of sums standing to the credit of the accounts of the Issuer for the purpose of investing moneys from time to time standing to the credit of the accounts of the Issuer in Eligible Investments that are capable of being realised either on demand or on such other basis as is appropriate, having regard to the Issuer's requirement for funds.

The accounts of the Issuer shall at all times be maintained with the Account Bank. If at any time the Account Bank is rated less than the Account Requisite Rating or the Account Bank or ceases to be authorised to conduct business in the Netherlands, then as soon as reasonably practicable, but in any event within 30 calendar days of such event, the Account Bank will (i) be replaced with another bank or banks approved in writing by the Security Trustee and which are credit institutions authorised to conduct business in the Netherlands or (ii) obtain a third party, having at least the Account Requisite Rating, to guarantee the obligations of the Account Bank, which guarantee is in accordance with the guarantee criteria of S&P or (iii) take any other action to maintain the then current ratings assigned to the Notes.

If at the time when the Account Bank would otherwise have to be replaced under the Bank Account and Cash Management Agreement there is no other bank which is authorised to conduct business in the Netherlands which has the Account Requisite Rating and which is willing to be the Account Bank on behalf of the Issuer and if the Security Trustee so agrees and provided that each Rating Agency either (i) has provided a confirmation that its then current ratings assigned to the Notes will not be adversely affected or withdrawn as a result thereof or (ii) by the 15th day after it was notified thereof has not indicated (a) which conditions are to be met before it is in a position to confirm that its then current ratings assigned to the Notes will not be adversely affected or withdrawn as a result thereof or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result thereof, the Accounts need not then be transferred but shall, as soon as practicable following the identification of a bank or banks which has the Account Requisite Rating and which is/are authorised to conduct business in the Netherlands, be transferred to that bank or banks.

Upon the transfer of the accounts of the Issuer to another bank or banks, the Issuer will procure to the satisfaction of the Security Trustee that the Security Agreement and the Issuer Pledge Agreement will apply to the new account bank and the accounts of the Issuer opened at such bank and that the Issuer will grant security over the new accounts.

For the purpose of the Bank Account and Cash Management Agreement '***Account Requisite Rating***' means a rating of (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of F1 and the long-term unsecured, unsubordinated and unguaranteed debt obligations of A, in each case by Fitch, (ii) the short-term unsecured, unsubordinated and unguaranteed debt obligations of P-1 by Moody's and (iii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of either (x) A by S&P (if the short-term, unsecured and unsubordinated debt obligations are also rated at least as high as A-1 by S&P) or (y) A+ by S&P (if the short-term, unsecured and unsubordinated debt obligations are not rated, or are rated below A-1 by S&P), or such other short term or long term rating as is commensurate with the equivalent long term rating assigned to the Notes then outstanding by the Rating Agencies from time to time or which is otherwise acceptable to such Rating Agencies in relation to Fitch, if the long-term rating and/or the short-term rating by Fitch of the Account Bank is on Rating Watch Negative, such long-term rating and/or short-term rating, as applicable, will be treated one notch below the then current rating given by Fitch.

The Issuer will pay the Account Bank such fees as may be agreed from time to time between them in respect of the services to be provided under the Bank Account and Cash Management Agreement.

The Bank Account and Cash Management Agreement is governed by Netherlands law.

Paying Agency Agreement

The Paying Agency Agreement provides that the Principal Paying Agent and the Reference Agent will be responsible for, *inter alia*, performing certain tasks in respect of the Notes as described in the Conditions.

The Paying Agent will be appointed by the Issuer in accordance with the Listing Rules of NYSE Euronext and will be responsible for, *inter alia*, performing certain tasks as described in the Conditions.

The Issuer has the right to terminate the appointment of the Paying Agents and the Reference Agent by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the Notes in accordance with Condition 13 of these Conditions. If any person shall be unable or unwilling to continue to act as Paying Agent or Reference Agent or if the appointment of the Paying Agent or Reference Agent shall be terminated, the Issuer will appoint a successor Paying Agent or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Paying Agent or Reference Agent (as the case may be) shall take effect until a successor has been appointed.

The Paying Agency Agreement is governed by Netherlands law.

OVERVIEW OF THE NETHERLANDS RESIDENTIAL PROPERTY MARKET

The Dutch housing market

1. ***Introduction***

The Dutch housing stock in 2012 totals over 7 million units. Of these, almost 3 million, or around 41 per cent of the occupied housing stock, are rented and the remaining 59 per cent are owner-occupied. The rented housing stock is owned by housing associations, institutional investors and private landlords.

The structure of the Dutch housing market is the product of legislation and regulations. The regulations for rented housing distinguish two market segments: a regulated segment made up of residential properties with rents of up to €664.66 (at 2012 prices) and a liberalised market comprising those with rents in excess of €664.66. In January 2012, Vesteda's housing portfolio was split 64/36 between the liberalised and regulated segments.

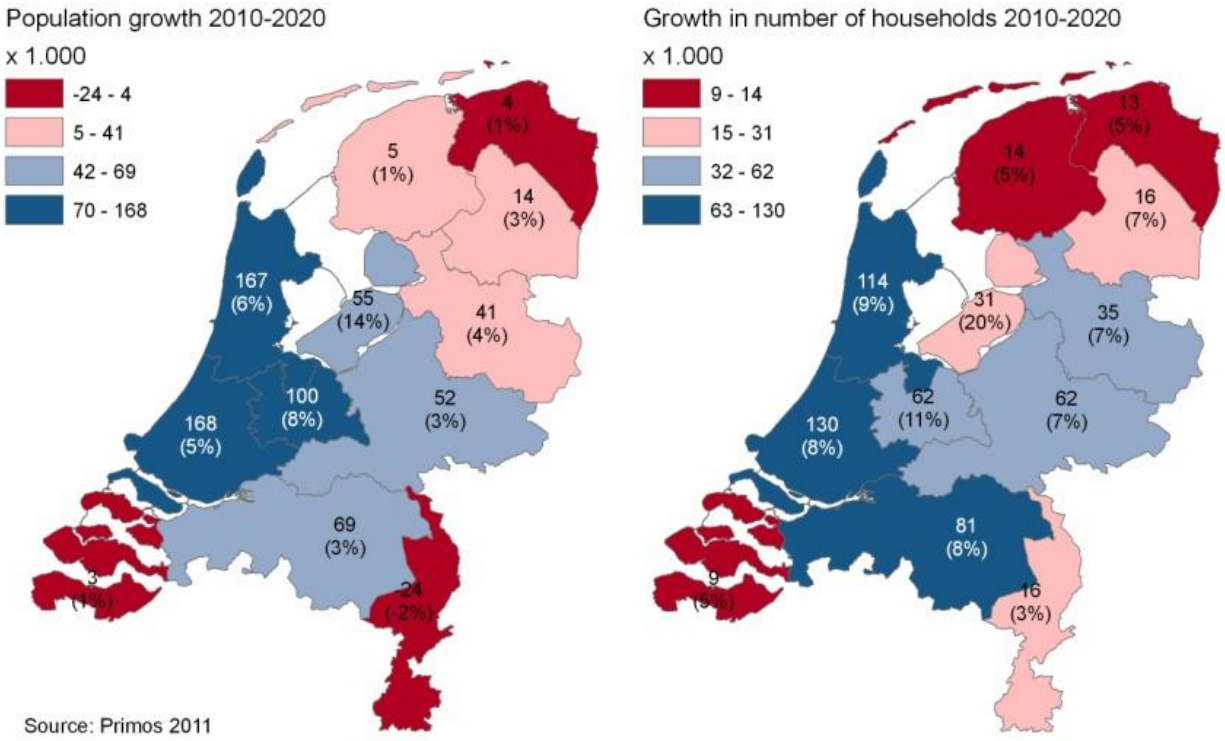
2. ***The Dutch housing market***

Demand for housing in the Netherlands exceeds supply. This situation will continue in the future, due both to demographic trends and to the existing shortage. With housing production lagging behind the demand[2], the housing shortage will increase[3].

2.1 *Demographic trends*

According to the most recent forecast[4], the population will reach a maximum of 17.84 million in 2040. It is estimated that from 2010 the population will increase by 1.27 million, or 7.6%. Single-person households will account for most of the increase in the number of households, which is expected to grow by over 965,000 between 2010 and 2030. There are significant regional variations in the growth in both total population and number of households. The fastest-growing provinces in terms of the number of households will be South Holland and North Holland. Between 2010 and 2020, the number of households in South Holland will increase by 130,000 (+8.1%) and in North Holland by 114,000 (9.1%). In relative terms, the province of Utrecht will grow at 11.4%, much faster than the national average of 7.9%. Flevoland will be the fastest-growing province in relative terms, with the number of households increasing by almost 20% between 2010 and 2020. Even in the province of Limburg, where the population is expected to decline by 2.2%, the number of households is predicted to grow by 3.2% in the period to 2020.

[2] TNO, January 2012
[3] Vesteda Research Housing Shortage Projections based on Statistics Netherlands (CBS), TNO, EIB and Socrates data
[4] ABF Research: 2011 Primos forecast, September 2011

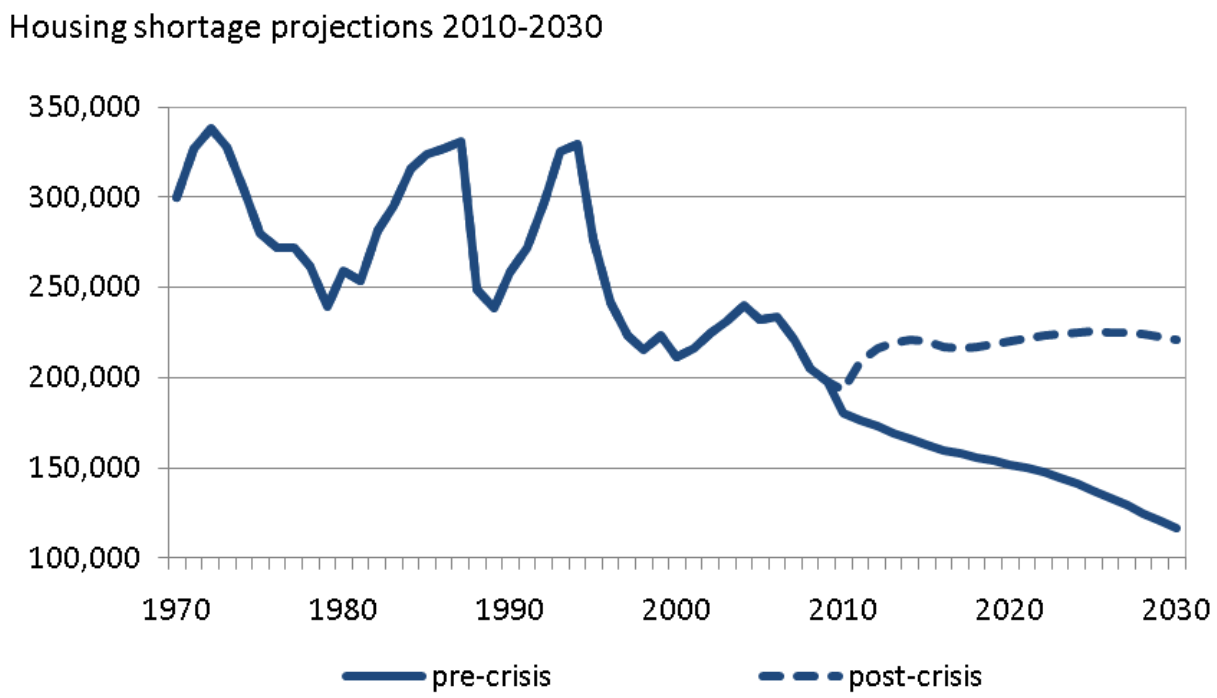


The proportion of older people in the population is also increasing sharply. Over the next 20 years, the proportion of over-65s will rise from 15% of the population in 2010 (2.5 million) to 24% in 2030 (4.2 million). The proportion of over-80s will increase from 3.9% in 2010 to 7% in 2030[5]. Demand for housing for the elderly will therefore grow rapidly in the coming decades. The population of the central Randstad region will age more slowly than that of the more peripheral regions, due to the Randstad's economic strength and its attractiveness in terms of employment and education.

2.2 *Housing demand*

Housing demand will largely be determined by the growth in the number of households: the more households, the greater the housing demand. New build could meet that need, but will not be enough by itself to satisfy the growth in the number of households requiring housing as well as eliminating the current housing shortage and replacing the homes that will be demolished in the coming years. According to the latest Primos forecast[6], almost 580,000 additional units will need to be built between 2010 and 2020, or about 58,000 per year, to cater for the rising housing demand. Production of 60,000 homes a year would be enough to meet this demand, if it were not for the existing housing shortage which currently stands at about 200,000 units, so new build will do little to relieve the pressure on the market.

[5] ABF Research: 2011 Primos forecast, September 2011
[6] ABF Research: 2011 Primos forecast, September 2011



Source: Statistics Netherlands (CBS), TNO, EIB and Socrates

Against the background of the current housing market crisis, the forecasts for housing production have been revised downwards[7]. In the short term (to 2015), housing production is not expected to exceed the figure given for the low variant in TNO's Bouwprognoses 2010-2015 forecasts for the construction market. The impact of the crisis on the housing shortage is clearly visible in the graph above.

Under the most likely scenario, the shortfall will rise to close to 220,000 units by 2030, as against 120,000 if the effects of the crisis are disregarded. The increase in the housing shortage is the difference between the original production estimates used in the 2007 Housing Production Action Plan[8] and TNO's revised housing production forecasts.

2.3 *Housing production*

Because housing production in the Netherlands is subject to government policy in terms of physical planning and quality, there is a significant time-lag between planning application and actual hand-over. The government has succeeded to increase housing production up to nearly 85.000 in 2009. Since 2010, housing production has declined sharply. Compared with the period 2007-2011, when the number of completed units averaged 17,600 per quarter (5,600 rented and 12,000 owner-occupied), production was low in the first two quarters of 2011 due to the economic crisis, at fewer than 11,000 units[9]. Compared with the first half of 2010, however, there was a 9% increase, driven largely by 16% growth in the number of rental units. If this picture is representative of the future, the number of completed units will turn out at around

[7] TNO, December 2011
[8] Ministry of Transport, Physical Planning and the Environment (VROM)
[9] Statistics Netherlands (CBS)

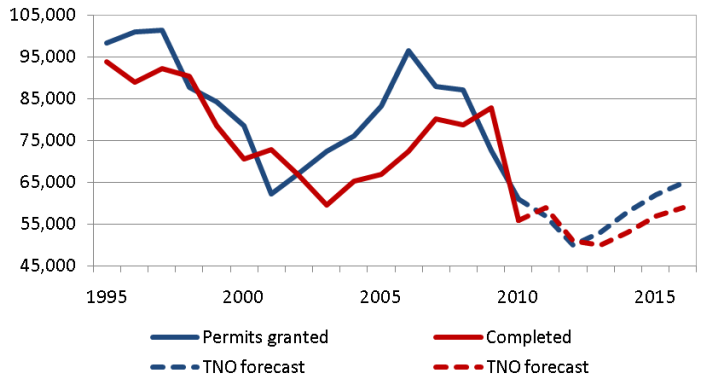
57,000 in 2011. For the years after 2011, TNO predicts a further decline in production to 53,000 in 2013, after which it will rise again to 59,000 in 2016[10].

As well as the number of completions, the number of building permits granted is also lower, but there was a 6% increase in the first half of 2011 compared with the same period in 2010. TNO's projections give the total number of building permits granted in 2011 as 57,000, so the pressure on the housing market is set to increase in the coming years, because the growth in the number of households – and hence the growth in demand for housing – will continue unabated in the short term.

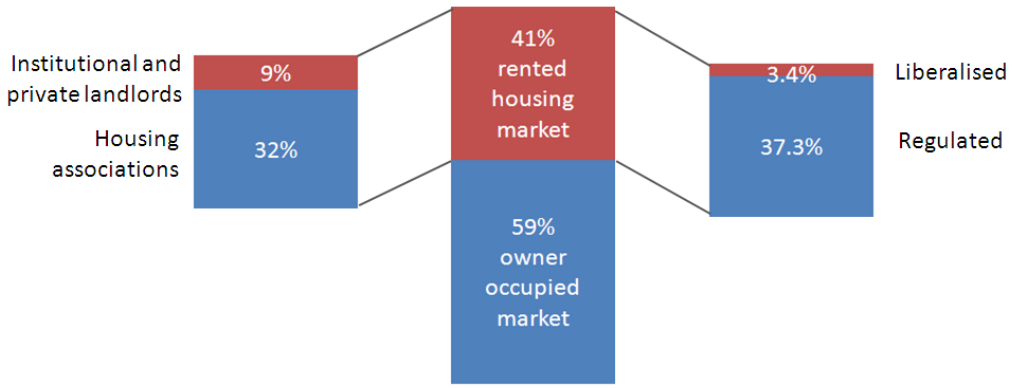
3. *The Dutch rented housing market*

The Netherlands has a highly developed rented housing market. Housing associations own 32% of the total housing stock. Of their rented properties, 2.4% are in the liberalised sector and 97.6% in the regulated sector. The other rented housing (9% of the housing stock) is owned by institutional investors and private landlords; 29% of these properties are in the liberalised sector and 71% in the regulated sector[11].

Residential units completed and building permits granted 1995-2016



Source: Statistics Netherlands (CBS), TNO (December 2011)



[10] TNO, December 2011
[11] Statistics Netherlands (CBS); Socrates housing market simulation model 2012, Central Housing Fund (CFV)

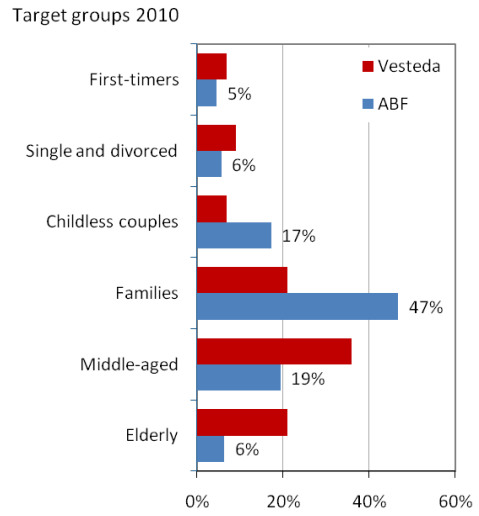
This distinction is important in the context of rent increases. Rents for regulated properties are controlled by government (under the *Besluit huurprijzen Woonruimte* or Rent Decree) and have been index-linked since 2009. Rents for properties in the liberalised sector are driven by the market. A large proportion of the liberalised segment is owned by private landlords and institutional investors; 23% of properties in this segment are owned by housing associations.

3.1 *Operation of market forces in the liberalised rented housing segment*

The number of households occupying or wishing to move to a home in the liberalised rented segment (housing need) will grow from 247,000 in 2010 to 368,000 in 2020, an increase of almost 50%[12]. Apartments will account for the majority (56%) of this growth, which is logical given the ageing of the population and the increase in single-person households. There will also be significant variation both in the central Randstad region and in the more peripheral regions. As regards the operation of the housing market, the liberalised rented housing segment is changing rapidly. The market is expanding on the supply side, due partly to unsold owner-occupied properties being offered for rent in this market segment. On the demand side, consumers are becoming increasingly critical, coming down more heavily on the side of price when comparing price, product and quality. The Socrates model (a housing market simulation model based on WoonOnderzoek Nederland (Housing Research Netherlands), the largest market survey which is conducted by government every three years) indicates that a substantial portion of the demand in the coming years will be in the rent range up to €1,200; in regions where the market is tight, this limit will be higher. Pressure on the mid-segment (rents of €650–€1,200) will increase.

3.2 *Target groups*

Consistent with our tenants' socio-demographic and household characteristics, Vesteda primarily targets groups which, in terms of lifestyle and housing requirements, can be categorised as first-timers, single and divorced, middle-aged, elderly and families.



Source: ABF Socrates model, refined by Vesteda Research

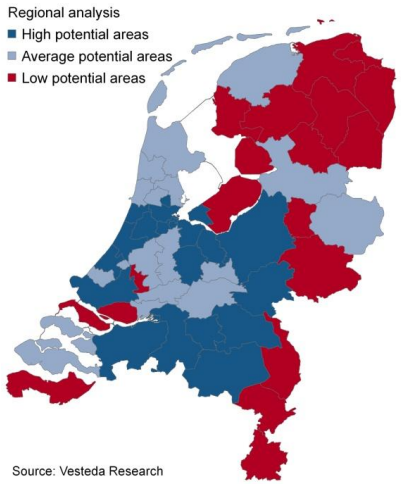
[12] ABF Research, Socrates housing market simulation model, 2012

Within these groups of households, there are 3.8 million households with an annual disposable income of €29,000 and over (Vesteda's target group). The bar chart shows the number of households per target group in the population of Vesteda tenants relative to the national population (ABF).

The total number of households in the target group will remain fairly stable until 2020, but there will be marked differences in the way the individual target groups develop within this segmentation. The sharpest decrease will be in childless couples aged between 30 and 55 and the number of young first-timers and families will also decline. However, there will be growth in the number of singles (+10%) and middle-aged/elderly (+15%) and the development of residential concepts will largely focus on the needs of these groups. In view of the rapid growth in the older target groups, Vesteda has shifted the investment focus more towards the residential care segment. Care homes already make up part of Vesteda's portfolio and Vesteda aims to expand its presence in this segment. The majority of our current customers/tenants are in the middle-aged group, followed by the elderly and families. Compared with the total population of households, we provide housing for above-average numbers of first-timers, singles and older people.

3.3 *Regions and municipalities*

The various regions and municipalities of the Netherlands exhibit large differences in terms of market potential for Vesteda. In regions with strong market potential, there is a high probability of growth in the liberalised rented housing segment and rising property values and rents and hence of higher returns. Vesteda has measured the market potential of the regions and municipalities on the basis of a number of indicators, relating to economic development, property prices, higher-end rented housing and target groups, using both historical data and projections. This analysis gives a map of the Netherlands in which the sub-regions and municipalities are ranked by market potential. High potential comprises the areas with the highest potential and lowest market risk and low potential comprises those areas where the risk is highest and thus require a higher return. Vesteda's primary focus will be on high potential areas, covering the Randstad central region and Brabant and extending to the east. High potential areas have a strong economy, a strong owner-occupied housing market, a liberalised rented property market with good potential and a target group of substantial size.



4. *Rents in the Netherlands*

4.1 *Legislation and regulations*

The rent limit demarcating the regulated and liberalised segments is a relevant factor in rent increases. In the regulated segment, rent increases are determined by government policy[13] and have been linked to inflation since 2009. In the liberalised segment, rent increases are driven by market forces. Most of the housing in the regulated segment is owned by housing associations.

The government wants market forces to play a greater role in the rented housing sector and has introduced new regulations to promote this. Following a ruling by the European Commission on state support[14], The Dutch government proposed and implemented a package of measures. Since 2011, the housing associations have been required to allocate 90% of new lets with rents at or below the maximum rent for the regulated segment (€664.66 at 2012 prices) to households with a (joint) income up to a maximum of €34,085 (2012 prices). Households with an income above that limit have to look for housing in the liberalised segment. Higher-income households (> €43,000) already renting properties in the regulated segment are charged an additional rent increase of a maximum of 5 percentage points above inflation. This is intended to discourage the renting of cheaper housing by higher-income households and promote tenant mobility. Residential properties are rated for quality using a points-based valuation system. Higher valuations are assigned to properties in areas of housing shortage[15]. This allows landlords in areas of housing shortage to bring rents more into line with market rents. All these measures will have a beneficial effect on demand in the liberalised segment.

4.2 *Rent increases*

The average rent increase (including rent harmonisation) in 2011 was 1.8%. The maximum annual rent increase for properties in the regulated segment is set by government at the rate of inflation for the previous year. The rents charged by housing associations were increased by 1.3% in 2011 and those charged by commercial landlords rose 2.4%[16]. Vesteda's average rent increase in 2011 was 2.43%. As the table below shows, the average rent increase in the liberalised segment has been higher than that in the regulated segment since 2003. Rent increases in the regulated segment have tracked inflation since 2009.

[13] Central government, Residential Tenancies (Rent) Decree of 18 April 1979.
[14] European Commission, State Aid Decisions E 2/2005 and N 642/2009 of 15 December 2009 – Netherlands, Existing aid and special project aid for housing associations.
[15] Ministry of the Interior and Kingdom Relations, Briefing paper on rent policy 1 July 2012–30 June 2013, 24 November 2011.
[16] Statistics Netherlands (CBS) ceased publication of data on rent increases after 2010; the figures for 2011 were provided by the Companen research bureau.

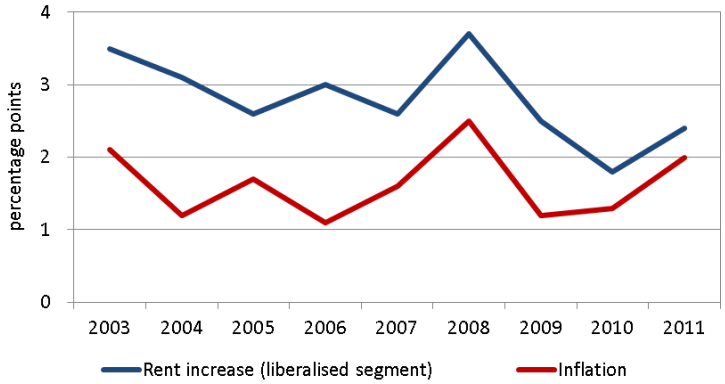
Rent increase 2003-2011 (including harmonisation) by rental segment

Sources: Companen, *Feiten en achtergronden huurbeleid 2011* (Rent policy facts and background); Statistics Netherlands (CBS)

		2003	2004	2005	2006	2007	2008	2009	2010	2011	average
rent increase	regulated segment	3.3	3.2	2	2.8	1.4	2	2.4	1.2	1.3	2.2
	liberalised segment	3.5	3.1	2.6	3	2.6	3.7	2.5	1.8	2.4	2.8
inflation		2.1	1.2	1.7	1.1	1.6	2.5	1.2	1.3	2	1.6
real rent increase for properties in liberalised segment		1.4	1.9	0.9	1.9	1	1.2	1.3	0.5	0.4	1.2

Since 2003, most rents in the liberalised segment have risen by more than 1 percentage point over inflation. In 2010 and 2011, the increases were 0.5 points and 0.4 points over inflation, as shown in the following graph.

Rent increase for properties in the liberalised segment relative to inflation



Source: Companen, Statistics Netherland (CBS)

Over the period covered, rent increases provided an inflation hedge for direct rental income.

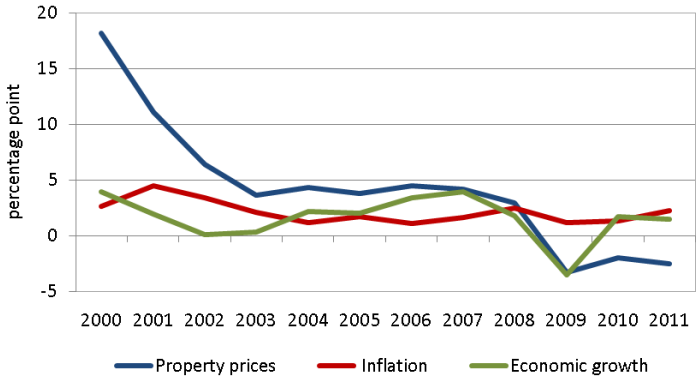
5. *Owner-occupied housing market*

The graph below shows that property prices in the Netherlands rose faster than both inflation and economic growth from 2000 to 2009, but have lagged behind inflation and economic growth since 2010. The average price of existing owner-occupied properties has fallen 8.5% since the start of the crisis in mid-2008.

There are substantial regional differences. Prices have fallen relatively slowly in the Utrecht, Hague and Overijssel regions since the crisis in 2008. Prices have fallen fastest since 2008 in the southern and north-eastern regions of the Netherlands.

Residential property prices relative to inflation and economic growth

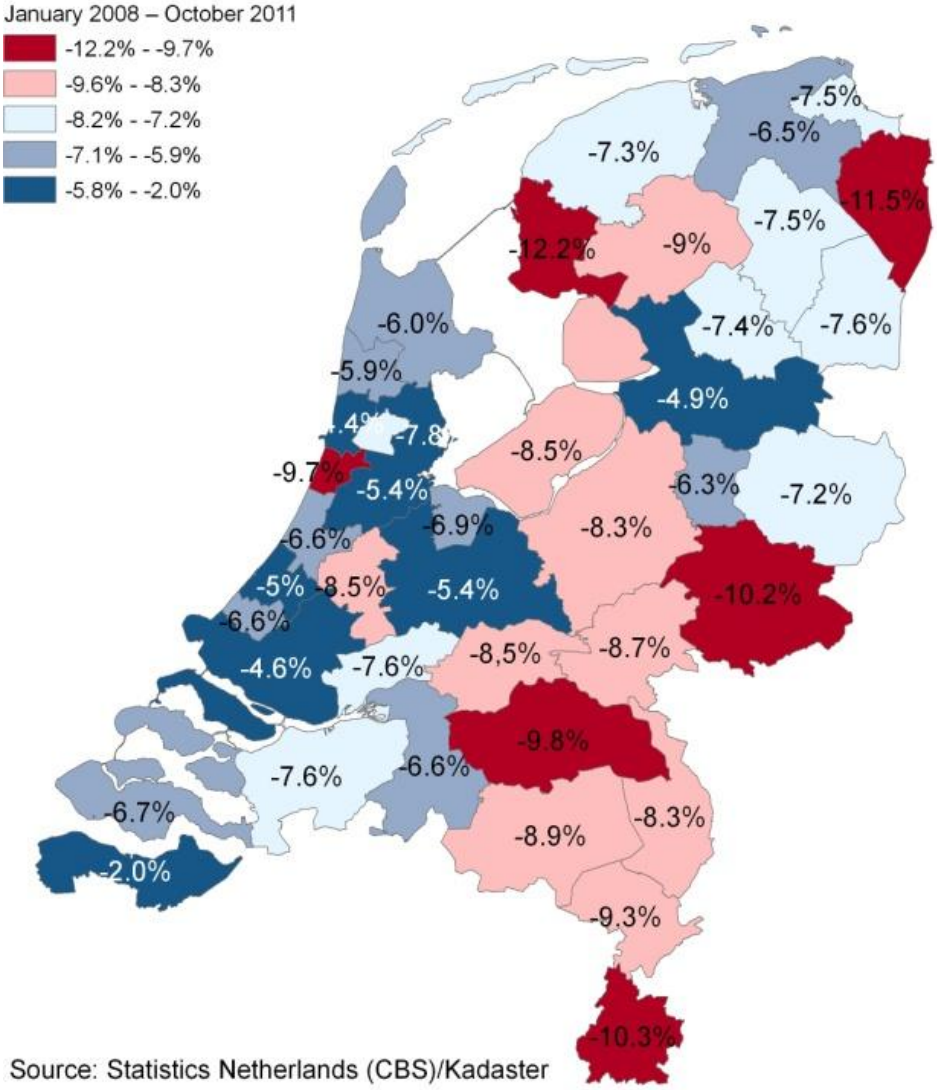
Year-on-year change



Source: Statistics Netherlands (CBS), 2011 projections by Central Planning Bureau (CPB)

Movements in purchase prices of existing residential property

January 2008 – October 2011



Source: Statistics Netherlands (CBS)/Kadaster

The rules on mortgage lending were tightened up on 1 August 2011[17] and this, in combination with the decline in purchasing power, has restricted households' borrowing capacity. With mortgage interest rates expected to rise a little in the longer term, prices of existing owner-occupied properties are likely to continue falling in 2012 and 2013. Faced with reduced funding options, a growing number of households will move into the rented housing market. This will have a beneficial effect on the occupancy rate for Vesteda's housing portfolio.

[17] Dutch Banking Association, Code of Conduct for Mortgage Financing, 1 August 2011

VESTEDA GROUP AND THE FUND– CORPORATE PROFILE AND BUSINESS

History and Structure of the Fund

Introduction

The Fund is an independent, entrepreneurial property fund for sustainable housing-related investments in the Netherlands for institutional investors.

Property Portfolio

The Fund focuses on the deregulated rental sector in the Netherlands, which includes all residential properties with rents from €665 per month. The Fund mainly targets the mid-range of this sector, where rents are up to €1,200.

Focus on the mid-segment

The Dutch housing market has insufficient high-quality rental properties in good locations, especially in the mid-segment of the deregulated sector. The Fund provides comfortable, carefree housing and has a broadly-based portfolio of apartments and houses in and around Dutch towns and cities, mainly in the core regions it has identified. Traditionally, the Fund has also had a substantial portion of its residential portfolio in the regulated segment below €665. In addition, the Fund sells new-build and ex-rental residential properties.

For institutional investors

The Fund is not listed on the stock exchange. The Fund's participants are institutions including pension funds, banks and insurance companies. The Fund had seventeen participants at 2 February 2012 and aims to increase this figure, nationally and internationally. The Fund offers participants access to the Dutch housing market through a 'core' investment fund. There are three key concepts: limited risk, stable distributions to participants and a sustainable investment.

The Fund offers a limited risk profile by making conservative use of loan capital, spread across various markets, and the interest rate risk is largely hedged. The Fund intends to lower its risk further by being of a size that reduces those risks within the portfolio, achieving a good spread across the market with the emphasis on strong regions and by focusing within them on growing segments in the market.

The Fund offers a stable direct yield available for distribution and aims to maintain the long-term indirect yield on invested capital at or above inflation.

The Fund offers its participants flexibility by bringing together a broad group of institutional investors with a long-term outlook and having an active investor-relations policy, thus supporting the liquidity of the partnership contributions.

The key points of the Fund's fund profile are:

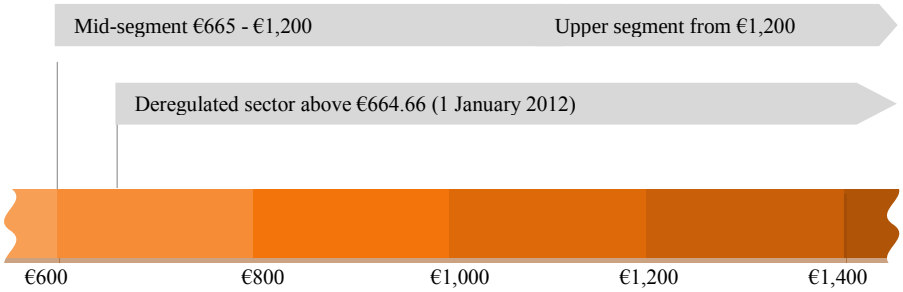
- The Fund's profile is that of a 'core' investment fund (INREV[18] classification);
- Investment is only in residential and housing-related properties;

[18] European Association for Investors in Non Listed Real Estate Vehicles (www.inrev.org).

- All properties are situated in the Netherlands. The focus is on specific areas within economically stronger regions such as the Randstad, Utrecht and Noord-Brabant;
- A deleveraging target has been set for the period 2012-2015, aiming to reduce loan capital to below 30% by the end of 2015;
- As a business, the Fund achieves the maximum value for its participants by opting at portfolio level for a specific combination of target groups, locations and price segments and maintaining a constant balance between long-term operations and disposals;
- The Fund aims to make stable annual distributions of at least 4.5% from operating results and results on disposals. It also aims to achieve an indirect yield over the long term that on average at least equals inflation;
- The Fund participates in the IPD Netherlands 'All Residentials' benchmark that expresses the average yield of all participating Dutch residential property investments over various periods. The Fund's target is to outperform the three-year ROZ/IPD benchmark each year;
- A residential fund like the Fund offers a good hedge against inflation: basic rents are linked to inflation and the values of residential properties in the long term;
- The Fund has a limited risk profile by being of a size that reduces those risks within the portfolio, achieving a good spread across the market with the emphasis on strong regions and, within those regions, focusing on growing segments in the market;
- The Fund seeks to increase the liquidity of its participations by attracting a broad group of institutional investors with a long-term outlook and having an active investor-relations policy;
- The Fund has a dedicated management organisation that is not fee-driven. The target for fund management expenses is competitive, at a maximum of 35 basis points of the invested capital at the beginning of the year;
- The Fund is not time-limited provided that the participants, by a specified majority consent vote, can decide to terminate the Fund;
- The Governance of the Fund is in accordance with the best-practice guidelines, with the emphasis on transparency and involvement; and
- The Fund offers sustainable housing and operates in a socially responsible manner for which specific targets have been set.

The higher-rent sector

The following definitions are used in this Prospectus (net monthly rent, excluding service costs)



In 1997 Vesteda Woningen was created following a reorganisation of the real estate portfolio of ABP (currently APG), the pension fund for employers and employees in service of the Dutch Government and the educational sector.

In 2002 ING Real Estate and six other institutional investors acquired a stake in Vesteda Woningen.

On 28 August 2009 Vesteda Woningen II, a parallel fund to Vesteda Woningen was set up. The structure and governance of Vesteda Woningen II was, generally, parallel to that of Vesteda Woningen.

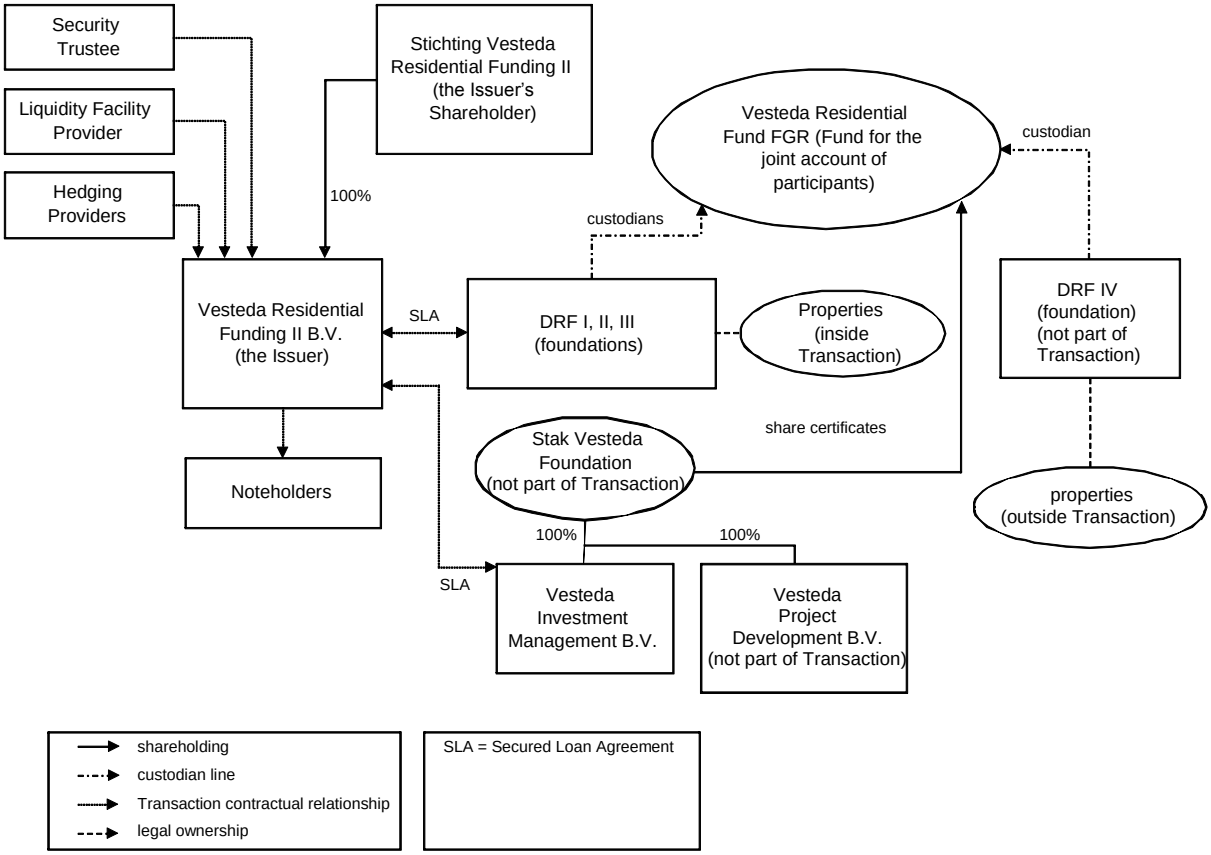
On 2 February 2012 the Fund Manager, each DRF and DRF IV established the Fund. The Fund continues the business and activities of Vesteda Woningen and Vesteda Woningen II. The Fund is governed by the Fund Terms and Conditions. As part of this amendment to the structure:

- DRF I, DRF II and DRF III (the custodians of Vesteda Woningen) were converted from limited liability companies (*besloten vennootschap met beperkte aansprakelijkheid*) to foundations (*stichtingen*), the DRFs, on 27 January 2012;
- Dutch Residential Fund V B.V. (the custodian of Vesteda Woningen II) was converted from limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) to a foundation (*stichting*) and renamed Stichting DRF IV on 27 January 2012;
- Vesteda Groep B.V. and Vesteda Groep II B.V. (the general partners of Vesteda Woningen and Vesteda Woningen II, respectively) were merged effective 2 February 2012 with Vesteda Groep B.V. as the surviving entity and it was renamed Vesteda Investment Management B.V. which is the Fund Manager;
- Vesteda Project B.V. was renamed Vesteda Project Development B.V.;
- The shares in the capital of the Fund Manager are held by a newly established foundation Stichting Administratiekantoor Vesteda, which foundation also holds the shares in the capital of Vesteda Project Development B.V.; and

- Stichting Administratiekantoor Vesteda issued share certificates to DRF IV. Pursuant to the terms and conditions of Stichting Administratiekantoor Vesteda, participants can request a power of attorney to cast a vote in the general meeting of shareholders in both the Fund Manager and Vesteda Project Development B.V.

Vesteda Project Development B.V. carries out project development activities for the Fund. Due to the changed market conditions the Fund will cease its new development activities. The development activities of Vesteda Project Development B.V. will be limited to the existing pipeline of projects for which there exists a legal obligation to develop. Besides that, the Fund will continuously monitor the market for acquisition prospects in order to strengthen the portfolio.

Vesteda Project Development B.V. and DRF IV are not Borrowers under the Secured Loan Agreement and are not involved in the transaction described in this Prospectus (and Vesteda Project B.V., Vesteda Groep II B.V. and Dutch Residential Fund V B.V. were not Borrowers under the Secured Loan Agreement and were not involved in the transaction described in this Prospectus). They are only described in this section for the sake of completeness.



As at 2 February 2012, the following investors held a stake in the Fund:

Stichting Pensioenfonds Xerox
Stichting Pensioenfonds C1000
Bouwfonds Nationale Nederlanden B.V.
Stichting Pensioenfonds voor Fysiotherapeuten
Stichting Achmea Dutch Residential Fund
Stichting Pensioenfonds Openbaar Vervoer
Stichting Spoorwegpensioenfonds
Delta Lloyd Vastgoed Participaties VRF II B.V.
Pensioenfonds voor de Grafische Bedrijven VRF II B.V.
Loyalis Leven VRF II B.V.
Loyalis Schade VRF II B.V.
Pensioenfonds ABP VRF II B.V.
Stichting TKP Pensioen Real Estate Fonds
Delta Lloyd Levensverzekering VRF II B.V.
Delta Lloyd Life VRF II B.V.
Stichting Bedrijfstakpensioenfonds voor de Media PNO
PGGM Private Real Estate Fund VRF II B.V

Existing participants may reduce their interest in the Fund and new participants may acquire interests in the Fund at any time, provided that the provisions of the Fund Terms and Conditions are taken into account.

Strategy

The Fund's investment strategy focuses on realising an attractive, stable yield for distribution to investors and real long-term value creation. On the basis of its research, the Fund has compiled a target portfolio that informs its investment policy. In this context, the Fund undertakes comprehensive portfolio management, constantly balancing letting, redevelopment and sales with the aim of maximising long-term proceeds.

Dynamic investment portfolio

A key element of the Fund's investment strategy is the roll-over principle: making use of flexible opportunities for rejuvenating the portfolio if this is desirable given market conditions and the investment policy. Over the long term, a modest proportion of the portfolio, averaging 2% to 5%, is sold each year, with the value of the inflows and outflows of residential properties over the years and the target to reduce leverage being brought into the best possible balance. These inflows and outflows maintain a good yield/risk profile and consolidate capital gains.

Comprehensive portfolio management in line with target portfolio

The target portfolio outlines the long-term composition of the portfolio that the Fund is seeking to achieve. All purchases and disposals are considered against the framework of the target portfolio, which is reviewed and, if necessary, adjusted annually. In due course, most of the invested capital will be in housing in the €665 to €1,200 monthly rent band. The focus in the next few years will be strongly on the Randstad, Utrecht and Noord-Brabant.

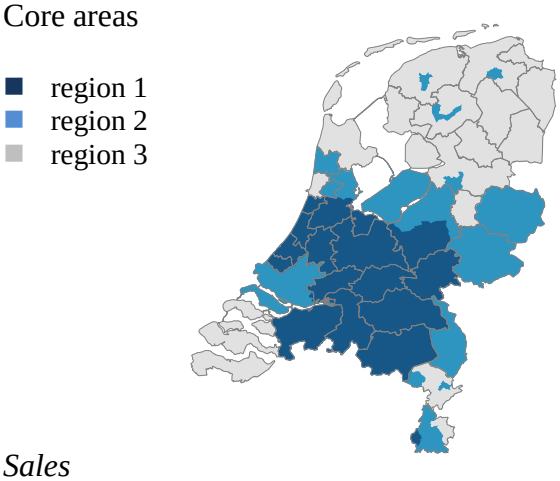
Benchmark

The Fund compares its yields against those of the IPD Netherlands 'All Residentials' benchmark, which reflects the average yield on all participating Dutch residential property investments for various periods. One of the Fund's targets is to beat the three-year benchmark each year, i.e. to perform structurally better than the average three-year yield of the participants in the benchmark.

Risk spreading

The Fund is one of the largest Dutch residential property investment funds with invested capital of €4.5 billion. This size allows a good spread of the invested capital across geographical markets and price segments. It also ensures good diversification, meaning significant mitigation of risk within the portfolio.

Core areas



Sales

Sales of residential properties are intended to consolidate capital gains and improve the composition, age and quality of the portfolio and to reduce risk. Individual sales of residential properties maximise selling prices and complete complexes are sold for speed and liquidity.

Transparent disposal process

The asset management department makes hold/sell analyses and advises the managing board of the Fund Manager on disposals on the basis of market developments and competitive analysis, inflow of new projects into the Fund's portfolio, long-term forecasts for portfolio management and liquidity forecasts. After the managing board’s decision, properties are allocated to the letting/sale phase of the letting portfolio. The asset management department sets the disposal strategy in part by selecting the phasing and pricing of each individual unit. A central department monitors the process and handles contract management.

Working towards a target portfolio

Disposals contribute to the Fund being able to adjust the composition of its portfolio gradually towards the target portfolio.

Preference for individual sales

The Fund prefers to dispose of properties through individual sales: direct sales of residential properties to the sitting tenant or with vacant possession to third parties. The best selling price is obtained by selling direct to the new owner/user.

Managing sales of complexes

Complexes are sold to supplement individual sales, for example, if there is very low tenancy turnover or in other situations where it is not possible to generate sufficient speed of sale or liquidity. Strictly regulated and transparent procedures are used for sales of properties. As well as screening the potential candidate's financial soundness and source of funds as much as possible, the purchaser's good reputation is a major consideration. The sales terms incorporate the IVBN[19] Sales Code and anti-speculation provisions required by the Fund.

Operations

The Fund derives most of its revenue from lease agreements entered into with respect to the Properties.

As at 31 December 2011, residential revenue accounted for 94.0% of total gross revenue, with the remainder derived from car parks and garages, commercial rentals, and other ancillary income.

The residential units are primarily let on the basis of standard lease agreements that are entered into directly by the Fund Manager (as agent of the (undisclosed) owner of such units). The most important terms and conditions of these lease agreements are set out under the heading '*the Fund's residential lease agreements*' below.

Real estate management

The Fund has its own in-house property management for the administrative, technical and commercial management of its Properties. About 190 employees in locations throughout the country handle letting and maintain personal contact with customers during tenancy. The Fund has so-called Woongaleries (local management branches) throughout the Netherlands. The local representatives are supported by a centralised call centre and a back office.

The Fund's residential lease agreements

The residential units are primarily let on the basis of standard lease agreements that are entered into by the Fund Manager (as agent of the (undisclosed) owner of such units). The most important terms and conditions of these lease agreements are that:

(a) the premises may be used exclusively for residential purposes;

(b) the lease agreements have a minimum period of one year, following which the lease does not automatically terminate, but is extended for an unlimited period. During the first year, the lease agreement may not be terminated by either party;

(c) rent is to be paid monthly in advance (without any set-off or other deduction) on the first day of each month and in the manner agreed;

[19] Vereniging van institutionele beleggers in vastgoed (www.ivbn.nl).

(d) in addition to the monthly rental, the tenant also pays a monthly amount pertaining to services charges. The amount payable is an estimation of the charges that will actually be incurred. Accordingly, an adjustment payment will be made at the end of each year, based on which either the excess will be refunded, or the shortage will be charged, to the tenant;

(e) in the case of a non-liberalised unit, the rent may be increased on the basis of an annual proposal by the landlord. The increase may not exceed the maximum percentage determined by the Dutch Government pursuant to the Dutch Civil Code and the Residential Tenancies Implementation Act (*Uitvoeringswet huurprijzen woonruimte*) subject to the maximum reasonable rent for the relevant unit. In the case of a liberalised unit, the rent increase is determined on the basis of an inflation index plus a percentage not higher than 2% (refer to section Property Leasing in the Netherlands – Regulatory Framework for further details);

(f) where a lease agreement relating to a liberalised unit has existed for at least five years and the rent has not been adjusted other than on the basis of the principles referred to in (e) above, the landlord will have the right to propose an adjustment of the rent in order to bring it in line with the then applicable market rental level. (If the tenant does not accept, section 7:274 subsection 1(d) of the Dutch Civil Code applies (see the section Property Leasing in the Netherlands – Regulatory Framework for further details);

(g) the tenant is prohibited from sub-leasing or in any other way surrendering control of the premises;

(h) at the end of the lease, the tenant is required to return the premises to the landlord in its original state and to bear all costs of bringing the premises to such original condition to the extent permitted under Dutch law;

(i) the landlord is responsible to bear the costs for all major renovations and repairs to the premises, while the tenant will bear the costs for the remaining, day-to-day repairs that are required in respect of the premises;

(j) notice of termination must take place by writ or by registered mail, having effect on the date of the start of the next payment period and taking into account any required notice period, the latter which will be a minimum of one month and a maximum of three months for the tenant and a minimum of three months for the landlord; and

(k) the grounds upon which the landlord may terminate the lease agreement are those provided by law (no others would in any event be permitted) including failure by the tenant to pay.

Rental collection

According to the provisions of the lease agreements entered into with respect to the Properties, the tenant is obliged, on a monthly basis, to pay in advance the rental and any other

amounts owing under such lease agreement, without deduction or set-off, either by way of a direct deposit into a bank account designated by the landlord or by a manual bank transfer payment. Moneys received in the various rental collection accounts are received on behalf of the Fund and are transferred to a Master Collection Account in the name of one of the Borrowers at least once monthly. The Secured Loan Agreement provides that the Borrowers and the Fund Manager may at any time instruct all tenants, intermediaries and other relevant parties to make rent and other payments directly into one or more Rent Collection Accounts opened and held in the name of one or more Borrowers. Provided certain conditions are met, the Fund Manager and the Borrowers shall be released from their respective obligation to transfer moneys standing to the credit of the Rent Collection Accounts held in the name of the Fund Manager at least once monthly to the Master Collection Account.

In the event that a payment is not received on the due date, the following procedure applies for the collection of the relevant amount:

Steps by the Fund's property management:

- if the moneys have not been received by the 10th day of the first following month, a reminder is sent to the tenant;

- if the moneys have not been received by the 20th day of the first following month, a second reminder is sent to the tenant;

- if the moneys have not been received by the 10th day of the second following month, an urgent request for payment is sent to the tenant wherein it is also stated that if the tenant fails to pay by the 20th day of the second following month the matter will be handed over to the bailiff who shall be instructed to collect the outstanding amount; and

- if the moneys have not been received by the 25th day of the second following month, the matter will be handed over to the bailiff who shall be instructed to collect the outstanding amount.

Steps by the bailiff (deurwaarder):

- within 3 days of receipt of the referral from the Fund's property management, a demand letter will be sent to the tenant giving the tenant the opportunity to pay the outstanding amount, as increased by the interest accrued and the costs incurred, within a further 5 days;

- if it is the first time that the tenant has been in default, parties may decide to agree upon a payment arrangement, such arrangement only to be agreed upon if future rental amounts can be paid timely in advance;

- otherwise, if the tenant does not respond to the above-mentioned demand letter, such tenant will within a further 20 days be sued for payment, the summons also to demand evacuation of the premises if deemed appropriate; and

- if the tenant has been in default for more than 3 months, such tenant can also be sued for termination of the lease agreement, evacuation of the premises and payment of the outstanding amounts.

In the case of bankruptcy of a tenant, the Netherlands Bankruptcy Act (*Faillissementswet*) grants both the landlord and the bankruptcy receiver (*curator*) of the bankrupt estate (the latter with the courts' approval) the right to terminate the lease agreement. Outstanding rental amounts that arose before the bankruptcy, must be filed with the bankruptcy receiver for verification. The bankruptcy receiver may grant preference for the payment of such amounts, since a landlord is sometimes seen as a so-called 'forced creditor' (*dwangcrediteur*). Rental payable in respect of the period after bankruptcy does not need to be filed for verification, but becomes a preferred debt of the bankrupt estate. Local representatives are advised by the Fund Manager to require the bankruptcy receiver to pay any rental amounts in advance.

However, the aforementioned does not apply if a tenant is subject to the Debt Rescheduling Natural Persons Act (*Wet schuldsanering natuurlijke personen*). If a tenant is subject to debt rescheduling in accordance with the Debt Rescheduling Natural Persons Act only an administrator (*bewindvoerder*) or the tenant with permission of the administrator, has the right to terminate the lease agreement. Non-payment of rent by a tenant in respect of rent payable for the period preceding application of the Debt Rescheduling Natural Persons Act, cannot result in termination or dissolution of the lease agreement (section 305 of the Netherlands Bankruptcy Act).

Cost Aspects of Vesteda Residential Fund

The Fund Manager, the Issuer, the DRFs and DRF IV entered into a cost allocation agreement dated 2 February 2012 as amended and restated on or about 18 April 2012 (the '***Cost Allocation Agreement***'). Any costs, charges, expenses and fees borne by the Fund or by any of the Borrowers, DRF IV or other custodians of the Fund (each a '***Custodian***') (the '***Cash Flow Out***') will be allocated by the Fund Manager (i) in respect of the Cash Flow Out specifically incurred in respect of (assets of the Fund (the '***Fund Assets***') held by) a Custodian, to such Custodian and (ii) in respect of the Cash Flow Out incurred in respect of the Fund in general, to each Custodian pro rata to the value of the Fund Assets such Custodian holds and (iii) in respect of the Cash Flow Out incurred in respect of (the Fund Assets held by) more than one Custodian, pro rata parte to the value of the Fund Assets each such Custodian holds. Each allocation made by the Fund Manager pursuant to the above results in a payment obligation of the relevant Custodian of an amount up to but not exceeding such allocated amount (the '***Payment Obligation***'). Each Custodian will satisfy its Payment Obligation only out of and not exceeding the cash flow generated by the Fund Assets held by such Custodian. In no event shall cash flow generated by the Fund Assets or any other assets held by one Custodian be applied by another Custodian when satisfying its Payment Obligation.

The Cost Allocation Agreement furthermore provides that as long as the Secured Loan Agreement is outstanding, the Borrowers will under no circumstance be (jointly-)liable for any obligations owed by DRF IV, including but not limited to the Payment Obligations, other than any liability arising out of being part of the VAT Fiscal Unity, and that the Fund Manager will have no claim or recourse against each of the Borrowers for the Payment Obligations of DRF IV. Any claims of the Fund Manager against each of the Borrowers are furthermore subordinate to those of the Issuer under the Secured Loan Agreement against each such Borrower.

Income Tax Aspects of Vesteda Residential Fund

The Fund qualifies as a tax transparent fund for joint account for Dutch (corporate) income tax purposes and Dutch dividend withholding tax purposes, provided all relevant parties act in accordance with the Fund Terms and Conditions. The Participation Rights in the Fund - including the beneficial ownership thereof - cannot be transferred or assigned by the participants, except by way of redemption. Only the Fund Manager issues and redeems Participation Rights.

The Dutch tax authorities have confirmed the tax transparency of the Fund for Dutch (corporate) income tax purposes and Dutch dividend withholding tax purposes. The consequences of the tax transparency of the Fund are as follows. For Dutch corporate income tax purposes, all income and gains, assets and liabilities are directly attributed to the participants on a pro rata basis. Investors are subject to Dutch corporate income tax for their pro rata share in income derived by, and capital gains realised on the Fund's assets and liabilities. For Dutch dividend withholding tax purposes, no Dutch dividend withholding tax is due on distributions made by the Fund to the participants.

If the Fund should lose its tax transparency, this would make the Fund an entity liable to Dutch corporate income tax. The Dutch corporate income tax rate for 2012 is 20% for the first €200,000 of taxable income and 25% for taxable income exceeding €200,000. In addition, this would make the Fund liable to dividend withholding tax on distributions.

Borrowers

With effect of 27 January 2012, the Borrowers are not considered taxpayers for Dutch corporate income tax purposes. This has been confirmed by Dutch tax authorities in a private letter ruling.

Consequently, following the conversion of the Borrowers into foundations (*stichtingen*) on 27 January 2012, they cannot form part of a corporate income tax fiscal unity. Should the Dutch tax authorities in the future consider the Borrowers as taxpayers for Dutch corporate income tax purposes, this may affect their ability to repay the Term Advances and hence the Issuer's ability to repay the Notes.

Prior to 27 January 2012, the Borrowers formed part of the corporate income tax fiscal unity with the FII status (*fiscale beleggingsinstelling*), subject to a corporate income tax rate of 0%, provided that certain strict conditions are met. If the fiscal unity should, for example, lose its FII status if it did not properly distribute the taxable profit over 2011 and/or 2012 (January) – one of the conditions to qualify for the FII regime - this would result in a corporate income tax liability for the fiscal unity.

Since all members of a corporate income tax fiscal unity are jointly and several liable for any corporate income tax due by the parent company of the fiscal unity, this would result in an additional cost for the Borrowers which may affect their liability to repay the Term Advances, and hence the Issuer's ability to repay the Notes.

Fund Manager / Vesteda Project Development B.V.

Both the Fund Manager and Vesteda Project Development B.V. are resident taxpayers in the Netherlands. As such, both entities are deemed to carry out a business undertaking by law and are subject to Dutch corporate income tax on their world wide income. Dutch corporate income tax is levied on the taxable profits made in a year less deductible expenses. The Dutch corporate income tax rate for 2012 is 20% for the first €200,000 of taxable income and 25% for taxable income exceeding €200,000. The Fund Manager and Vesteda Project Development B.V. are not included in a fiscal unity for corporate income tax and are therefore individually taxed.

Stichting Administratiekantoor Vesteda is not considered a taxpayer for Dutch corporate income tax purposes. This has been confirmed by Dutch tax authorities in a private letter ruling.

VAT Aspects of Vesteda Residential Fund

The Fund together with DRF I, DRF II, DRF III, DRF IV, the Fund Manager, Vesteda Project Development B.V. and two subsidiaries of Vesteda Project Development B.V. (Gordiaan Vastgoed B.V. and H.O.G. HeerlenOnroerend Goed B.V.) can be considered one VAT Fiscal Unity. This has been confirmed by the Dutch tax authorities. The VAT Fiscal Unity will at least continue to exist until January 2016. After this date, the services provided by the Fund Manager to the Fund may become subject to VAT, unless exemptions are applicable. This may result in an additional risk for the Borrowers which may affect their ability to repay the Term Advances, and hence the Issuer's ability to repay the Notes.

All members of a VAT fiscal unity are jointly and severally liable for Dutch VAT due by any member of the fiscal unity. In their capacity of custodians for the Fund, the Borrowers are (and were already at the Initial Closing Date) accountable for VAT liabilities of the VAT Fiscal Unity for which each of them can be held jointly and severally liable.

PROPERTY LEASING IN THE NETHERLANDS – REGULATORY FRAMEWORK

Determining the original rent amount

In the Netherlands, the rent for residential premises is not always freely negotiable between the landlord and the tenant. A points system exists, on the basis of which the quality of a property is determined and a maximum rent amount is calculated. The calculation is made by adding points for certain positive features (size, location, number of bathrooms, heating system, insulation, etc.), and subtracting points for certain negative features (serious defects, overdue maintenance, etc.). In this manner it is possible to determine whether the rent charged by the landlord is *reasonable* in relation to the quality of the property. If the tenant believes that the rent is too high, the tenant has six months from the commencement date of the lease to request the competent Rent Assessment Committee (*Huurcommissie*) to assess the amount of the rent. If the Rent Assessment Committee finds the rent to be too high, it may lower the amount of the rent.

The regulations concerning the determination of rent are set out in the Dutch Civil Code (articles 7:245 to 7:265) and the Residential Tenancies Implementation Act (*Uitvoeringswet huurprijzen woonruimte*). Material criteria, such as the specific criteria used by the Rent Assessment Committee to assess the reasonableness of the rent amount, are found in a separate governmental decree.

Liberalisation of the rental market

If a lease agreement was entered into after 1 July 1994, or if the lease agreement relates to a property that was built on or after 1 July 1989 and the amount of the rent is at the commencement date of the lease agreement in excess of the maximum applicable at that time under the Housing Rent Allowance Act (*Wet op de huurtoeslag*), which as of 1 January 2012 is € 664.66, the provisions concerning the determination of the rent are not applicable to such lease agreement (with a few exceptions). Such lease agreement is said to be '*liberalised*', which means that most statutory rules regarding the determination of the rent are not applicable. However, there are some exceptions to this rule. Most importantly, within 6 months after the commencement date of the lease agreement, the tenant of a 'liberalised' property has the right to ask the Rent Assessment Committee to evaluate the price/quality ratio of the rented property on the basis of the points system referred to above.

In addition, certain other provisions of the Dutch Civil Code apply to liberalised units (articles 7:249, 251, 259, 261 subsection 1 and 264 of the Dutch Civil Code). Pursuant to these provisions (i) lease agreements may not provide for more than one rent increase per year, (ii) provisions in lease agreements, (other than those relating to the rent amount), are invalid if they provide the landlord, the tenant or a third party with an unreasonable benefit (*onredelijk voordeel*), (iii) certain restrictions apply to additional costs, such as service costs, and (iv) the tenant and the landlord may request the competent district court to determine the tenant's payment obligations relating to the additional costs.

Rules applicable to increasing the rental amount

The landlord of a non-liberalised unit is allowed to raise the rent unilaterally on the basis of a stipulation in the lease agreement (section 7:248 subsection 1 of the Dutch Civil Code) or in the way prescribed in articles 7:252 and 7:253 of the Dutch Civil Code pursuant to which

provisions the landlord is allowed to raise the rent in line with a maximum percentage determined annually by the Minister of Home Affairs and Kingdom Relations. The minister has determined that the maximum percentage for a rent increase for the period 1 July 2011 – 1 July 2012 is 1.3% (which almost equals the inflation rate for 2010; 1.2%)[20].

In contrast, the landlord of a liberalised unit is not allowed to raise the rent unilaterally, unless provided otherwise in the lease agreement (e.g. an annual rent increase on basis of an inflation index). However, even if an annual increase of the rent was not agreed, it might still be possible for the landlord of a liberalised unit to force the tenant to agree to an increase of the rent based on article 7:274 subsection 1(d) of the Dutch Civil Code. This subsection provides that if the tenant refuses to enter into a new lease agreement that holds a reasonable offer, which offer may in the case of a liberalised unit include a reasonable increase of the rent, the landlord may give a notice of termination of the lease (refer below for further details on termination of leases).

The standard lease agreement of the Fund contains a special provision for liberalised units that provides that the rent is adjusted annually on the basis of an inflation index plus 2%. Based on this standard lease agreement, the extra 2% will not be imbursed if the landlord fails to inform the tenant of the adjustment of the rent.

Termination of lease agreement

Other than in the case of a breach of agreement by the tenant, it is always necessary to give notice of the termination of the agreement. This applies to both the landlord and the tenant. Such notice must always be sent by registered mail or be delivered by a bailiff. While the tenant may terminate the agreement without reason, the landlord may only terminate the agreement on the basis of one of the five grounds indicated below. The lease agreement is only terminated if the tenant agrees in writing with such termination within six weeks after the notification is sent. If the tenant does not so agree, the lease agreement can only be terminated pursuant to a court order.

The five statutory grounds for termination are:

1. *Breach of contract*: If the tenant does not comply with his obligations under the lease agreement or if the tenant does not behave as befits a good tenant.

2. *Fixed term agreement*: If a landlord wants to let a particular property for a limited period of time, it is possible to terminate a lease agreement following the expiry of such period. However, this is only possible if it is explicitly stipulated in the lease agreement that the property will have to be evicted at the expiry of the relevant period and the landlord has an interest in the eviction of the premises, for example, if after the eviction the landlord will occupy the premises himself.

3. *Urgent necessity for landlord's own use.* If the landlord urgently requires the premises for his own purpose (sale of the premises is not an urgent usage), he can ask the court to terminate the lease on such basis. The following conditions have to be fulfilled: (a) the landlord must demonstrate that his need is so urgent that he cannot be expected to continue the lease, the interests of tenants and possible subtenants are also to be considered and (b) it has to appear that the tenant can

[20] Ministerial Circular 29 March 2011, MG 2011-01

find alternative suitable accommodation. An action instituted on this ground may not be granted if the landlord is a legal successor of a previous landlord and if notice of termination is given within three years after the tenant has been notified in writing of the legal succession. The stipulation relating to 'urgent inherent usage' includes any renovation of the property which is impossible without termination of the lease. If the court orders that the lease agreement may be terminated, it may also stipulate that the landlord must pay a contribution to the tenant relating to removal and refurbishment expenses.

4. *Refusal to accept a reasonable offer.* If the tenant refuses to accept a reasonable offer of the landlord concerning a new lease, the landlord can demand termination of the lease before the court. If the court considers the offer reasonable, it can allow the tenant a maximum period of not more than one month to accept the new agreement or it can terminate the lease. Such is, however, not possible if the offer relates to a non-liberalised unit and it concerns the rent amount or service charges.

5. *Realisation of designated use.* It could be that the property upon which the premises are situated, has been designated for certain building works according to an applicable zoning plan. In such case, the landlord can give notice of termination and request the court to terminate the lease agreement. If the court grants such an order, it may also order that the landlord must pay the tenant a contribution towards moving and furnishing costs.

Furthermore, the following points should be considered in connection with a termination of a lease agreement:

- *Fixed period*: A lease agreement for a fixed period of time cannot, in principle, be terminated by either the landlord or the tenant before the expiration of the agreed period. Accordingly, if the tenant wishes to leave the premises before the end of such period, he would be liable to comply with this obligation. However, if both parties agree, the lease agreement may be terminated prematurely. Furthermore, a lease agreement for a fixed period of time can be set aside by a court order in case of a breach of contract by one of the parties (see below).

- *Notice period*: In order to terminate the lease, the landlord must allow a notice period of at least three months. For each year that the tenant has had undisturbed occupation of the premises, an extra month's notice period is required, however, subject to a maximum of six months. If the tenant wishes to terminate the agreement, the notice period is equal to the payment period under such lease agreement, with a minimum of one month and a maximum of three months. These periods apply even if there are prior oral or written agreements to the contrary.

- *Notice of termination/eviction*: As mentioned above, the landlord must give notice of termination of the lease, by registered mail or by a bailiffs notification (*deurwaardersexploit*). The reasons for the termination should be specified thoroughly in the notice, and the landlord must ask the tenant to inform him in writing within six weeks after the date of the notification whether he agrees with the termination or not. If the tenant does not agree to the termination, the lease

agreement will continue. In such case the only way the lease can be terminated is on the basis of a court order.

- *Application to court*: If the tenant does not agree to the termination of the lease within six weeks after the notification, the landlord can institute an action against the tenant before the court. The landlord can apply to the court to request that the court will determine the date on which the lease shall terminate. In making its decision, the court will only take into account the reasons specified by the landlord in his notice of termination. If the court rejects the application, the lease continues. If the application is granted, the court will determine a date upon which the lease is terminated and when the premises must be vacated. It is possible for the tenant to appeal against the decision of the court.

The time frame for such court proceedings differs from case to case and can be prolonged if the tenant decides to appeal the decision of the court in the first instance. However, a judgment may be declared provisionally enforceable, which means that the premises can be evicted before the landlord has received an irrevocable judgment. If the higher court decides in favour of the tenant, the landlord may be liable for the damages suffered by the tenant as a result of the (unlawful) eviction.

- *Breach of contract*: If the tenant does not comply with his obligations, the landlord can ask the court to terminate the agreement on the basis of malperformance (thus without having sent notice of termination first). Before deciding to order the termination of the agreement due to malperformance, the court can, if it is deemed reasonable, allow the tenant a maximum period of one month to remedy the breach. The court will then set a date by which time the tenant must vacate the premises. Any provision in a lease agreement stating that, in the case of malperformance by the tenant, the agreement may be terminated without the intervention of the court, is invalid.

- *Failure to agree*: The Dutch Civil Code provides that with respect to non-liberalised units, the landlord may not terminate the lease agreement if the tenant is not in agreement with an increase of the rental amount or due to a dispute over service charges.

DESCRIPTION OF THE PORTFOLIO

As per 31 December 2011 there are 322 properties owned by the Borrowers on behalf of the Fund (the ***'Properties'***, each a ***'Property'*** and together, as the context may require, the ***'Portfolio'***) which were valued at € 4,072,833,433. No revaluation of the Properties for the purposes of the issue of the Class A8 Notes has taken place.

The following table shows the key indicators for the Properties of the Fund:

Properties as at 31 December 2011

Number of residential units	25.152
Number of m2 of commercial space	51.737
Number of parking places/garages	9.446
Value in € million approximately	4.073
Gross annual rent* in 2011 in € million	237
Net annual rent** in 2011 in € million	164

* Annualised passing rent as at 31 December 2011 less financial vacancy plus other income

** Gross annual rent less 'letting expenses' (30,6% for the whole portfolio). Letting expenses do not include head office management expenses or capital expenditure

The Portfolio consists of apartments and single-family attached houses, (including parking places/garages) amounting to 94.0% of the rental value. The value of the Portfolio has been determined on the basis that a Property should be valued at the obtainable market value.

In the above mentioned Portfolio are 4 properties which are partly held under construction and not currently income producing. The value, being € 44,338, attributable to these properties reflects the costs paid to date for these properties whilst under construction. It is anticipated that these properties will be completed between 2012 and 2014 and will be valued on completion at about €43,000,000. The Portfolio comprises the 322 Properties mentioned above and include the 4 Properties under construction. The Properties under construction count for 129 units which are not comprised in the number of residential units in the table above.

The Portfolio is concentrated in the urban areas in the Randstad and in the central and southern Netherlands, as depicted below.

Composition by value of the so-called *Woongaleries*, central locations in major urban areas from which the Fund handles the letting, personal customer contacts and promotion of the brand, is as follows: 30% Woongalerie Amsterdam, 16% Woongalerie The Hague, 14% Woongalerie Arnhem, 14% Woongalerie Rotterdam, 12% Woongalerie Eindhoven, 10% Woongalerie Maastricht and 4% externally managed.

The average age of the properties that were fully operational as at 31 December 2011 was 21.2 years.

The figure below shows the age spread of the Portfolio based on 318 Properties (i.e. excluding the 4 Properties under construction).

Age of portfolio by number of units and values as at 31st December 2011

Age	**Units**	**Value**
<6	7,33%	12,94%
6-10	7,54%	11,40%
11-15	6,44%	6,28%
16-20	9,86%	10,26%
21-25	23,48%	20,85%
26-30	14,35%	11,94%
31-35	12,63%	10,55%
36-40	13,72%	11,65%
41-45	4,40%	3,95%
>45	0,25%	0,18%

Age is calculated as the difference between 2011 and the first full calendar year that the Property was available for letting.

Some 69.0% by number and 73.7% by value of the Properties are less than 30 years old. As at 31 December 2011, the level of occupancy of the residential Properties in the Portfolio was 96.0% by units.

The Fund plans to maintain the Portfolio at the present level.

Changes to the Portfolio since December 2009

The Portfolio size has decreased in units and increased in Properties. In addition, the average capital per unit has decreased and the rental value per unit has increased.

The Portfolio is divided among rent categories as follows:

Letting portfolio by rent per unit per month

	2009	2011
<400	0,81%	0,45%
401-500	9,26%	8,06%
501-600	22,21%	18,17%
601-700	20,68%	20,17%
701-800	19,22%	18,61%
801-900	11,16%	14,05%
901-1000	5,93%	7,48%
1001-1100	2,37%	3,13%
>1100	8,35%	9.89%

In 2011:

- A total of 4 completed Properties have been acquired, generating rental income from 257 units.
- 1,259 units have been sold:
  - 68% of the total of units sold, have been sold as part of the bulk sale of 10 complete Properties.
  - 32% of units have been sold individually from Properties belonging to the Portfolio.

Due to the market conditions the majority of units sold was the result of bulk sale.
Sales strategy is however to maximise unit-by-unit sale.

	31 December 2009	31 December 2010	31 December 2011
Properties	309	309	322
Residential units	27.008	26.154	25.152
Total value portfolio in €	4.424.276.130	4.350.247.052	4.072.833.433
Properties under construction in €	3.288.994	92.266.982	44.338
Value portfolio generating rent in €	4.420.987.135	4.257.980.069	4.072.789.095
Average rent per residential unit per month in €	752	764	785
Annual passing rent in €	257.604.981	254.646.333	251.942.241
Annual passing rent less vacancies and other income in €	238.872.007	235.949.161	235.366.905
Letting expenses in €*	66.884.162	66.065.765	65.902.733
* (calculated as a sustainable rate of 28% of annualised rent less vacancies and other income)			
Management fees in €*	16.799.751	16.180.324	15.476.599
* (calculated as a sustainable rate of 0,38% of the value)			
NOI in €	155.188.094	153.703.072	153.987.573
Capex in €*	30.912.598	30.557.560	30.233.069
* (calculated as a sustainable rate of 12% Gross annualsied rent)			
NFC in €	124.275.496	123.145.512	123.754.504
Loan size in €	1.600.000.000	1.550.000.000	1.550.000.000
LTV	36,2%	35,6%	38,1%
ISCR	2,33%	2,41%	2,39%
(based on NOI and floating rate + spread: (4,16% in 2009; 4,11% in 2010, 4.15% in 2011))			
Deby yield (Noi/Debt amount)	9,70%	9,92%	9,93%
Units sold	-1.112	-1.051	-1.259
Units completed	496	201	249
Units changed in layout	0	-4	0
Units purchased	0	0	8
Net Change	-616	-854	-1.002

MANAGEMENT OF THE FUND

The Board of Directors and the Supervisory Committee

Central to the management organisation is Vesteda Investment Management B.V., which is the manager (*beheerder*) of the Fund (the Fund Manager). The Fund Manager is also the managing director of the DRFs, DRF IV and Vesteda Project Development B.V.

The Fund Manager has a board of directors currently consisting of two members. In addition, the Fund has a Supervisory Committee, currently consisting of five members.

The board of directors of the Fund Manager consists of the following members:

MANAGING BOARD

CEO since February 2011; end of first term of office January 2015	**A.J.M. (Arjan) Schakenbos** (54), CEO Dutch nationality. CEO and member of the management board. Ancillary positions: Member of the Economic Development Board Rotterdam (EDBR), Member of the Board of Supervision of Velthuis Klinieken (five private clinics) *Portfolio in 2011*: responsibility for strategy, personnel & organisation and communications. *Portfolio from 2012*: asset management, legal affairs, facilities and HR. Also responsible for sustainability.
Member of the Managing Board since October 2010; end of first term of office September 2014	**L.A.S. (Luurt) van der Ploeg** (41), CFO Dutch nationality. CFO and member of the management board. Mr van der Ploeg has no ancillary positions. *Portfolio in 2011*: responsibility for strategy, investor relations, financial administration, funding, control, tax affairs, legal affairs, ICT/information provision and business development. *Portfolio from 2012*: fund management, portfolio management, tax affairs and BSIM (information provision and business development)

The Supervisory Committee of the Fund consists of the following members:

SUPERVISORY BOARD

reappointed July 2011 for a second term of office to July 2015, chairman since January 2012	**C.A.M. (Kees) de Boo** (67), chairman Dutch nationality. Former Chairman of the Managing Board of NS Vastgoed. Areas of expertise: management, financial (including property investment), project

	development, property letting. Ancillary positions: board member of the Central Fund for Social Housing, board member of the Stichting ROZ, member of the advisory board of HD Projectrealisatie Rotterdam, treasurer of the Friends of the Netherlands Architecture Institute, member of the board of Artis (Amsterdam Zoo).
appointed April 2011; end of first term of office April 2015	**J.A. (John) de Die** (50) Dutch nationality. Chairman of the Audit Committee. CFO-COO of AAC Capital Partners. Ancillary positions: supervisory director of Diamond Tools Group. Non-executive director of Precision Tools Holding. Member of the Advisory Board of Holland Integrity Group.
appointed January 2010; end of first term of office January 2014	**C.M. (Charlotte) Insinger** (46) Dutch nationality. Chairman of the Remuneration Committee. Independent management adviser. Areas of expertise: management, financial, tax. Ancillary positions: partner in Nieuwe Commissaris Consult, supervisory director of SNS REAAL nv, member of Advisory Board of Stichting Koninklijke Diergaarde Blijdorp (Blijdorp Zoo), member of the board of Doping Autoriteit (the Anti-Doping Authority of the Netherlands) and member of Advisory Board of Between Us.
appointed July 2011; end of first term of office July 2015	**P.J.W.G. (Peter) Kok** (57) Dutch nationality. Member of the Audit Committee. Interim CFRO of APG. Former CFO of Delta Lloyd NV. Ancillary positions: supervisory director of Mn Services, Dunea, Optimix Investment Funds NV, Triodos Groenfonds, Triodos Vastgoedfonds and Q Park. Member of the board of Stichting Toestsing Verzekeraars and member of the board of Stichting Bewindvoering Bewoners 's Heeren Loo West Nederland.
Appointed March 2012, end of firs t term of office March 2016	**J.H. (Hans) Pars** (49) Dutch nationality. CEO of Wereldhave NV. Former Chief Investment Officer of Vastned Groep and various management functions at Rodamco Europe and Stichting Pensioenfonds Hoogovens. Ancillary position: board member EPRA

At the date of the Prospectus, none of the members of the Board of Directors of the Fund Manager or the Supervisory Board of the Fund Manager has any potential conflict of interest between his duties to the Fund Manager and his other principal activities as listed above except that under Netherlands law special rules apply in situations where directors of a company are

also director of a related party which is involved in the same transaction, which as a matter of Netherlands law is deemed to constitute a conflict of interest per se.

FINANCIAL INFORMATION

Set out below is the financial information of Vesteda Woningen C.V. for 31 December 2011 and 31 December 2010.

The information set out on pages 153 to 166 herein is extracted from the Financial Statements of Vesteda Woningen C.V. for 2011.

Since at 31 December 2010 and 31 December 2011 Vesteda Woningen C.V. was a limited partnership (*commanditaire vennootschap*) no statutory audit standards apply for its financial statements. However, the audit standards applied when auditing the financial statements in substance do not deviate from audit standards generally applied in the Netherlands.

Vesteda Woningen CV

Financial statements 2011

1. ACCOUNTING POLICIES

The financial statements were drawn up in compliance with generally accepted reporting standards in the Netherlands.

1.1 Accounting policies for valuation of assets and liabilities

General

Preparation of the financial statements requires estimates and judgements to be made which may affect the amounts reported for assets and liabilities, income and expenditure and the related reporting of assets and liabilities not recognised in the balance sheet at the date of the financial statements. The accounting policies which, in the opinion of the Managing Board, are the most significant to the financial position and the results of activities are addressed in the relevant notes as are matters which are intrinsically uncertain and where the Managing Board has to make estimates and judgements. The Managing Board notes that future events often differ from the forecasts and that estimates have to be updated regularly.

Property

The development portfolio is stated at the lower of cost and market value. On completion of a project, the complex is included in the letting portfolio or disposed of.

The letting portfolio is stated at fair value. Pursuant to Guideline 213 'Investment properties', the complexes in this portfolio are recognised at fair value, being the higher of market value with sitting tenants and net realisable value on disposal of complete complexes to organisations specialising in the selling of individual units.

A condition when establishing the fair value is that if the market value with sitting tenants is higher, the fair value will be no more than 110% of the net realisable value in the case

of disposals of complete complexes to organisations specialising in the selling of individual units.

The market value with sitting tenants and the appraised net realisable value in the case of disposals of complete complexes as a whole to organisations specialising in the selling of individual units are determined by the discounted cash flow method. About 25% of the portfolio is appraised each quarter by external valuers and the remainder is appraised internally in that quarter. The part that was independently appraised in the first quarter is re-appraised and the appraisals made in the second and third quarters are updated by external valuers in the fourth quarter. The aim is to achieve sufficient coverage each quarter for a representative reflection of the total portfolio by age, location, type, region and capital investment. Conveyancing charges and other selling costs are taken into account in determining both the net realisable value in the case of disposals of complete complexes to organisations specialising in the selling of individual units and the market value with sitting tenants.

Tangible fixed assets

The office building is stated at fair value, reappraised annually by an external valuer. The revaluation is taken direct to equity and recognised through the revaluation reserve. Straight-line depreciation based on the estimated useful economic life is deducted as long as the carrying amount is higher than the residual value.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement.

Financial assets

If control or significant influence is exercised on the commercial and financial policy of participating interests, those interests are accounted for using the equity method based on net asset value. Other participating interests are stated at the lower of historical cost and market value. Loans receivable are recognised at face value. Where necessary, there is a write-down for doubtful debts.

Receivables

Receivables are stated at amortised cost, which is generally in line with face value, less a provision for doubtful debts.

Cash and cash equivalents

Cash is cash in hand and at bank. Cash and cash equivalents are stated at face value.

Provisions

Provisions are recognised if it is probable that the obligation will have to be settled and a reliable estimate can be made of the amount of the obligation. The amount of a provision is set

using the best estimate of the amount that will be required to settle the obligations and losses at the reporting date.

Long-term liabilities

Loans are initially stated at cost, which is the fair value of the amount received, less transaction costs. After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Capitalised financing costs are netted against loans drawn. In calculating amortised cost, allowance is made for premiums or discounts in relation to the issue of the loan. Interest expense is attributed to the period to which it relates and recognised through the income statement.

Derivatives

The company uses derivatives such as interest rate caps and interest swaps to hedge changes in interest rates. Derivatives are used as cash flow cover to hedge the risk of uncertain future cash flows. In the financial statements, these relate to the variable-rate bonds. Derivatives are initially recognised at fair value including transaction costs and then at fair value at each reporting date. If positive, changes in the fair value of derivatives concerning the bonds are recognised through the derivatives revaluation reserve in equity.

Current liabilities

Trade creditors and other current liabilities are stated at amortised cost, which is generally in line with face value.

Distinction between current and fixed assets and between current and non-current liabilities

Assets and liabilities are classified as current (short-term) if it is expected that they will be realised or settled within twelve months of the reporting date.

Other

Unless stated otherwise, valuation is according to the historical cost convention. Amounts are shown at face value.

1.2 **Accounting policies for the determination of results**

General

Operating expenses are recognised at historical cost. Income is recognised when realised, expenses are recognised as soon as they become known. Income and expenses are allocated to the period to which they relate.

Rental income

Rental income is the total rent invoiced to tenants in respect of the financial year. The amount shown, therefore, takes account of rent lost due to vacancies and discounts. Rental income does not include service charges paid in advance by tenants.

Letting expenses

Letting expenses comprise costs directly attributable to a specific complex. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants. There is no equalisation provision for major maintenance.

Other income

This includes other income generated by short-stay lets.

Property management expenses

Any operating expenses that cannot be allocated directly to the various properties are regarded as property management expenses.

Interest income and expense

Interest income and expense are recognised at face value. Changes in the fair value of derivatives concerning the credit facility still available are recognised in interest expense.

Realised result

The realised result is the sum of the net letting income and other income less operating expenses and net interest charges, plus the results realised on property disposals. The result on disposals is the proceeds from sales (less any facilitation costs) less the most recent carrying amount of the properties sold, established each quarter.

Unrealised result

The unrealised result is made up of unrealised gains and losses related directly to property investments.

Tax

Tax on the result is calculated by applying the standard rate of tax to the taxable amount.

Tax status

The Holding Dutch Residential Fund B.V. tax group has been regarded as a fiscal investment institution since 2002. On this basis, providing a number of conditions are met, a corporation tax rate of 0% applies. The most important condition to be met is that the profit,

calculated in accordance with fiscal principles, is distributed in the form of dividend within eight months of the end of the financial year.

Vesteda Woningen CV is transparent for corporation tax purposes. Vesteda Groep B.V., Vesteda Groep II B.V., Vesteda Project B.V., Vesteda Woningen CV and Vesteda Woningen II CV form a VAT group. Consequently, VAT is not levied on supplies between these entities.

2. BALANCE SHEET AS AT 31 DECEMBER 2011 (BEFORE APPROPRIATION OF THE RESULT)

Amounts in millions of euros	31 December 2011	31 December 2010
ASSETS		
Fixed assets		
Property 1	4,073	4,258
Tangible fixed assets 2	6	7
Financial assets 3	-	7
	4,079	4,272
Current assets		
Receivables	10	30
Tax and social security contributions	3	-
Cash and cash equivalents 4	102	34
	115	64
Total assets	**4,194**	**4,336**
EQUITY AND LIABILITIES		
Fund capital 5	**2,512**	**2,618**
Provisions 6	**31**	**61**
Long-term liabilities		
Amounts owed to group companies 7	1,543	1,542
Other long-term liabilities 8	54	65
	1,597	1,607
Current liabilities		
Tax and social security contributions	-	1
Other current liabilities	11	13
Accruals and deferred income 9	43	36
	54	50
Total equity and liabilities	**4,194**	**4,336**

3. INCOME STATEMENT FOR 2011

Amounts in millions of euros	2011	2010
Income		
Rental income	242	239
Less: Letting expenses	75	69
Net letting income	167	170
Other income	3	2
Total operating income	**170**	**172**
Expenses		
Management expenses	24	20
Interest income	1	1
Interest expense	69	69
Letting result	78	84
Result on disposals	7	22
Realised result	85	106
Unrealised result 10	-118	-122
Net result	**-33**	**-16**

4. CASH FLOW STATEMENT FOR 2011

Amounts in millions of euros	2011	2010
Realised result	85	106
Depreciation of tangible fixed assets	-	1
Amortisation of financing costs	2	1
Movement in receivables	17	-20
Movement in current liabilities	4	6
Cash flow from operating activities	108	94
Investments in property	-130	-113
Investments/disposals of tangible fixed assets	-	-
Investments/disposals of financial assets	7	11
Property sales	167	166
Cash flow from investment activities	44	64
Loans drawn	-	350
Loan repayments	-	-400
Investment financing costs	-1	-6
Distributions to investors	-107	-84
Capital contribution	24	-
Cash flow from financing activities	-84	-140
Total cash flows	68	18
Cash and cash equivalents at end of year	102	34
Cash and cash equivalents at beginning of year	34	16
	68	18

Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist exclusively of cash and cash equivalents. Receipts and expenditure in connection with interest and tax on profit are included in the cash flow from operating activities. Dividends paid are included in the cash flow from financing activities

5. NOTES TO THE FINANCIAL STATEMENTS

Property (1)

Amounts in millions of euros	Letting portfolio			Total
	Portfolio developments	Letting phase	Letting/sale phase	
Value as at 1 January 2011	-	2,759	1,499	4,258
Investments	91	20	19	130
Disposals	-	-	-167	-167
Internal transfers	-91	-292	383	-
Subtotal	-	2,487	1,734	4,221
Revaluations during financial year	-	-70	-78	-148
Value as at 31 December 2011	-	2,417	1,656	4,073

Tangible fixed assets (2)

Amounts in millions of euros	Office building
Value as at 1 January 2011	7
Investments	-
Revaluation	-1
Value as at 31 December 2011	6
Accumulated depreciation	3

Vesteda Group's office building is recognised at fair value. The carrying amount as at 31 December 2011 includes a revaluation of €0.2 million (2010: €0.6 million).

Financial assets (3)

	Loans receivable			
	Dutch Residential Fund			
Amounts in millions of euros	I BV	II BV	III BV	Total
Value as at 1 January 2011	3	2	2	7
Repayments	3	2	2	7
Value as at 31 December 2011	-	-	-	-

Cash and cash equivalents (4)

Amounts in millions of euros	2011	2010
Current accounts	28	-
Savings deposits	74	34
	102	34

The cash and cash equivalents are freely disposable.

Fund capital (5)

		Revaluation reserve				
Amounts in millions of euros	**Share premium**	**Property**	**Derivatives**	**Office building**	**Other reserve**	**Total**
Value as at 1 January 2011	**1,910**	**729**	**1**	**1**	**-23**	**2,618**
Dividend	-107	-	-	-	-	-107
Capital contribution	24	-	-	-	-	24
Result	-	-57	-	-	24	-33
Revaluation of office building	-	-	-	-1	-	-1
Revaluation of derivatives	-	-	-1	-	12	11
Realised from sales	-	-20	-	-	20	-
Value as at 31 December 2011	**1,827**	**652**	**-**	**-**	**33**	**2,512**

A dividend of €107 million for 2010 was distributed to the shareholders and participants in Vesteda Woningen CV in 2011. €24 million was contributed by the participants in Vesteda Woningen CV.

Provisions (6)

Amounts in millions of euros	Pipeline
Value as at 1 January 2011	61
Additions	13
Used	43
Value as at 31 December 2011	31

A pipeline provision was formed for contractual obligations on the acquisition by Vesteda Woningen CV of projects from Vesteda Project B.V. which will be handed over. The provision is calculated as the difference between the estimated market value at the date of acquisition and the contracted purchase price.

Payables to other associates (7)

Amounts in millions of euros

Vesteda Residential Funding II B.V. concerning:

Notes	A3	A4	A5	A6	A7	Financing costs	Total
Value as at 1 January 2011	400	300	350	150	350	-8	1,542
Investments	-	-	-	-	-	-1	-1
Amortisation	-	-	-	-	-	2	2
Value as at 31 December 2011	400	300	350	150	350	-7	1,543

Other long-term liabilities (8)

Amounts in millions of euros	Derivatives
Value as at 1 January 2011	65
Revaluation	-11
Value as at 31 December 2011	54

Vesteda has entered into interest-rate cap agreements with a finance institution with the intention of hedging interest-rate risks. They limit the risks of rising interest rates on the loan capital. Swap agreements were concluded in July 2005 and took effect as of the expiry of the interest-rate cap agreements. The terms of the agreements are in line with the remaining terms of the bond loans concluded in 2005. Swaps were also concluded on the bond loans issued in April 2007, July 2008 and April 2010 with the same term as the loans, which took effect in July 2007, July 2008 and July 2010, respectively.

The upward revaluation for 2011 was €11 million (2010: €20 million).

Accruals and deferred income (9)

Amounts in millions of euros	2011	2010
Interest payable	13	13
VAT integration levy	24	10
Amounts received in advance	4	6
Other	2	7
	43	36

Unrealised result (10)

Amounts in millions of euros	2011	2010
Revaluation of property investments	-148	-113
Movement in pipeline provision	30	-9
	-118	-122

Events after the balance sheet date

Vesteda changed its legal structure with effect from 2 February 2012. Please see the annual report for further information.

Other information

1. **Proposed appropriation of the result for 2011**

The Management Board proposes that the loss for the year of €32,880,373 be taken to equity. This proposal has been incorporated in the financial statements.

2. **Proposed distribution to investors**

The General Meeting of Investors on 22 June 2011 declared the dividend for 2011. The distribution was €100 million and was paid on 30 January 2012.

Net asset value as at 1 January 2011	€102.12
Distribution to investors	-€4.19
Capital contribution	€0.94
Realised result	€3.34
Unrealised result	-€5.78
Revaluation of derivatives	€0.42
Revaluation of office building	-€0.02
Pipeline provision	€1.16
Net asset value as at 31 December 2011	€97.99

Amsterdam, 5 March 2012

The manager:

Vesteda Groep B.V.

The custodians:

Dutch Residential Fund 1 B.V., Dutch Residential Fund II B.V. and Dutch Residential Fund III B.V.

For the above:

A.J.M. Schakenbos
CEO

L.A.S. van der Ploeg
CFO

O. Breur
COO

N. Mol
Director Sales & Acquisition

INDEPENDENT AUDITOR'S REPORT

To the shareholders of and limited partners in Vesteda Woningen C.V.

Report on the financial statements

We have audited the financial statements 2011 of Vesteda Woningen C.V., Amsterdam, which comprise the balance sheet as at 31 December 2011 and the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Managing board's responsibility

The Managing Board of Vesteda Groep B.V. is responsible for the preparation of these financial statements in accordance with the accounting policies as set out in 'accounting policies for valuing assets and liabilities' and 'accounting policies for the determination of results' on pages 153 to 157. Furthermore the Managing Board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Vesteda Woningen C.V. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Managing Board of Vesteda Groep B.V., as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements 2011 of Vesteda Woningen C.V. have been prepared in all material respects in accordance with the accounting policies, selected by the

Managing Board of Vesteda Groep B.V. as set out in 'accounting policies for valuing assets and liabilities' and 'accounting policies for the determination of results' on pages 153 to 157.

Basis for financial reporting and restriction of use

Without qualifying our opinion, we draw attention to the purpose of the preparation of the 'financial statements' and the basis for accounting policies as set out in the chapters 'accounting policies for valuing assets and liabilities' and 'accounting policies for the determination of results'. The 'financial statements' have been prepared for the purpose of the shareholders and limited partners of Vesteda Woningen C.V. to provide insight in the financial performance.

Maastricht, 5 March 2012
Ernst & Young Accountants LLP
signed by J.M. Heijster

VESTEDA RESIDENTIAL FUNDING II B.V.

Vesteda Residential Funding II B.V. was incorporated with limited liability under the laws of the Netherlands on 8 July 2005 under number B.V. 1330079 as a special purpose vehicle. The corporate seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands. The Issuer is registered with the Commercial Register of the Chamber of Commerce under number 34229747.

Sole Director and Corporate Administrator

The sole managing director of the Issuer is ATC Management B.V. The directors of ATC Management B.V. are R. Posthumus, R. Rosenboom, R. Langelaar, A.R. van der Veen and R. Arendsen, with telephone number +31 20 577 11 77 and its business address at Frederik Roeskestraat 123, 1076 EE, Amsterdam, The Netherlands.

The Corporate Administrator and ATC Management B.V. entered into the Corporate Services Agreements in order to provide administrative services to the Issuer and the Shareholder. These Corporate Services Agreements may be terminated, *inter alia*, by the Security Trustee upon the occurrence of certain termination events (which include certain failures by Corporate Administrator or ATC Management B.V. (as the case may be) to comply with its obligations under such Corporate Services Agreement and certain insolvency events).

Purpose

The objectives of the Issuer are, amongst other things:

(a) to raise funds by issuing notes from time to time and to invest the funds raised by the company in connection with such issue in advances made from time to time to the Borrowers pursuant to a secured loan agreement between the Issuer, the Fund Manager, DRF I, DRF II and DRF III and the Security Trustee (as amended from time to time);

(b) to grant security in connection with the foregoing; and

(c) to enter into agreements and documents in connection with the foregoing (including one or more secured loan agreements, liquidity facility agreements, interest rate cap agreements and bank account and cash management agreements) and to exercise rights and to comply with its obligations under these agreements and documents.

The Issuer may do all such further acts that are related to the above or that are conducive thereto. The Issuer shall not engage in any transactions that are not related or conducive to the above-described objects.

The Issuer will enter into the Relevant Documents to which it is expressed to be a party, and exercise all related rights, powers and activities incidental thereto.

There is no intention to accumulate surpluses in the Issuer.

Share Capital

The Issuer has an authorised share capital of € 18,000, all of which have been issued and are fully paid. All shares of the Issuer are held by Stichting Vesteda Residential Funding II.

Stichting Vesteda Residential Funding II is a foundation (*stichting*) incorporated under the laws of the Netherlands on 21 June 2005. The objects of Stichting Vesteda Residential Funding II are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Vesteda Residential Funding II is ATC Management B.V.

The financial year of the Issuer coincides with the calendar year.

Capitalisation

The following table shows the capitalisation of the Issuer as of 18 April 2012 as adjusted to take account of the Class A8 Notes expected to be issued on or around the Closing Date:

Share Capital

Authorised Share Capital	euro 18,000
Issued Share Capital	euro 18,000

Borrowings

Class A3 Notes	euro 400,000,000[21]
Class A4 Notes	euro 300,000,000
Class A5 Notes	euro 350,000,000[22]
Class A6 Notes	euro 150,000,000
Class A7 Notes	euro 350,000,000
Class A8 Notes	euro 625,000,000[23]

[21] Class A3 Notes to be redeemed on the Closing Date.
[22] Class A5 Notes to be redeemed on the Closing Date.
[23] Class A8 Notes to be issued on the Closing Date.

Balance sheet as at December 31, 2011 (before appropriation of result)

		December 31, 2011		December 31, 2010	
		EUR	EUR	EUR	EUR
ASSETS					
Financial fixed assets	2.5.1				
Secured loan			1,550,000,000		1,550,000,000
Current assets	2.5.2				
Accounts receivable		188,017		186,132	
Interest receivable borrowers		12,865,883		12,865,857	
			13,053,900		13,051,989
Cash and cash equivalents	2.5.3		18,000		18,000
			1,563,071,900		1,563,069,989
SHAREHOLDER'S EQUITY AND LIABILITIES					
Shareholder's equity	2.5.4		18,000		18,000
Long-term liabilities	2.5.5				
Class A-Notes			1,550,000,000		1,550,000,000
Current liabilities	2.5.6				
Interest payable		6,848,655		5,028,800	
Interest Rate Swap payable		6,017,228		7,837,057	
Corporate income tax payable		642		7	
Accrued expenses		187,375		186,125	
			13,053,900		13,051,989
			1,563,071,900		1,563,069,989

Statement of cash flows for the year 2011

		2011		2010
	EUR	EUR	EUR	EUR
Cash flow from operating activities				
Net result		0		0
Changes in working capital:				
Decrease (increase) accounts receivable	-1,885		-58,865	
Decrease (increase) interest receivable	-26		272,231	
Decrease (increase) Interest Rate Swap Payable	-1,819,829		-2,052,821	
Increase (decrease) interest payable	1,819,855		1,780,590	
Increase (decrease) accrued expenses and other liabilities	1,885		61,365	
		0		2,500
		0		2,500
Cash flow from investing activities				
Secured Loan issued	0		-350,000,000	
Secured Loan redeemed	0		400,000,000	
		0		50,000,000
Cash flow from financing activities				
Class A-Notes issued	0		350,000,000	
Class A-Notes redeemed	0		-400,000,000	
		0		-50,000,000
Net decrease in cash and cash equivalents		0		2,500
Cash and cash equivalents at beginning of year		18,000		15,500
Cash and cash equivalents at end of year		18,000		18,000

Statement of income for the year 2011

		2011		2010	
		EUR	EUR	EUR	EUR
Interest income					
Interest income Secured Loan		64,329,512		66,284,323	
Interest Rate Swap income		-33,586,297		-45,992,268	
			30,743,215		20,292,055
Interest expense					
Interest expense Class A-Notes			30,743,215		20,292,055
Interest margin			0		0
Operating expenses	2.5.7	-957,822		-2,089,845	
Allocated to Borrowers		957,822		2,089,845	
Income before taxation			0		0
Corporate income tax	2.5.8	635		529	
Allocated to Borrowers		635		529	
			0		0
Net result			0		0

INDEPENDENT AUDITOR'S REPORT

To: The Managing Director and the Shareholders of Vesteda Residential Funding II B.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of Vesteda Residential Funding II B.V., Amsterdam, which comprise the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Director's report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Vesteda Residential Funding II B.V. as at December 31, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Director's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the Director's report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Eindhoven, 17 February 2012

Ernst & Young Accountants LLP

Signed by N.A.J. Silverentand

USE OF PROCEEDS

The net proceeds from the issue of the Class A8 Notes are expected to amount to approximately €625,000,000, and, subject to the satisfaction of certain conditions precedent, will be applied by the Issuer on the Closing Date to make the Term A8 Advance (as defined herein) to the Borrowers subject to and in accordance with the Secured Loan Agreement. Certain fees and expenses which will be incurred by the Issuer in connection with the issue and listing of the Class A8 Notes will be paid for by the Fund Manager.

On or around the Closing Date the Borrowers will apply the Term A8 Advance for the repayment of each of the Term A3 Loan and the Term A5 Loan.

THE SECURITY TRUSTEE

Stichting Security Trustee Vesteda Residential Funding II (the '***Security Trustee***') is a foundation (*stichting*) incorporated under the laws of the Netherlands on 21 June 2005. The corporate seat (*statutaire zetel*) of the Security Trustee is in Amsterdam, the Netherlands, and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Security Trustee is registered with the commercial register of the Chamber of Commerce, under number 34228680.

The objects of the foundation are:

(a) to act as trustee in respect of a securitisation transaction involving the Issuer and the Fund;

(b) to act as trustee on behalf of the holders of notes issued from time to time by the Issuer;

(c) to be the beneficiary of payment undertakings in connection with its role as security trustee;

(d) to acquire, manage, exercise and enforce security interests granted or to be granted in connection with the transaction described in paragraph (a) above;

(e) to invest funds obtained as proceeds of security interests for the benefit of parties to such securitisation on a temporary basis; and

(f) to enter into agreements and/or undertake activities, in connection with the objects described above, provided always that such activities are necessary or useful for the entering into and performance of its position of security trustee and trustee for noteholders in relation to the transaction referred to in paragraph (a) above.

The sole director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V., having its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, The Netherlands.

Amsterdamsch Trustee's Kantoor B.V. entered into a Corporate Services Agreement in order to provide administrative services to the Security Trustee. This Corporate Services Agreement may be terminated, inter alia, by the Security Trustee upon the occurrence of certain termination events (which include certain failures by Amsterdamsch Trustee's Kantoor B.V. to comply with its obligations under such Corporate Services Agreement and certain insolvency events).

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes (the '**Conditions**') in the form in which they will be set out in the Trust Deed (as defined below). They will apply to the Notes whether they are in definitive form or global form.*

The issue of the €200,000,000 Class A1 Secured Floating Rate Notes 2005 due 2017 (the '***Class A1 Notes***'), the €400,000,000 Class A2 Secured Floating Rate Notes 2005 due 2017 (the '***Class A2 Notes***'), the €400,000,000 Class A3 Secured Floating Rate Notes 2005 due 2017 (the '***Class A3 Notes***') and the €300,000,000 Class A4 Secured Floating Rate Notes 2005 due 2017 (the '***Class A4 Notes***'), was authorised by a resolution of the managing director of Vesteda Residential Funding II B.V. (the '***Issuer***') passed on 14 July 2005. The issue of the €350,000,000 Class A5 Secured Floating Rate Notes 2007 due 2017 (the '***Class A5 Notes***') was authorised by a resolution of the managing directors of the Issuer on 17 April 2007. The issue of the €150,000,000 Class A6 Secured Floating Rate Notes 2008 due 2017 (the '***Class A6 Notes***') was authorised by a resolution of the managing directors of the Issuer on 11 July 2008. The issue of the €350,000,000 Class A7 Secured Floating Rate Notes 2010 due 2017 (the '***Class A7 Notes***' and together with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes, the '***Initial Notes***') was authorised by a resolution of the managing directors of the Issuer on 14 April 2010. The Initial Notes were issued under a trust deed (as amended and/or restated from time to time, the '***Original Trust Deed***') dated 20 July 2005 (the '***Initial Closing Date***'), as amended and restated on 20 April 2007 (the '***2007 Closing Date***') and as amended on 30 June 2008 and as amended and restated on 21 July 2008 (the '***2008 Closing Date***') and as amended and restated on 20 April 2010 (the '***2010 Closing Date***'), between the Issuer and Stichting Security Trustee Vesteda Residential Funding II (the '***Security Trustee***') as trustee for the holders for the time being of the Class A1 Notes (the '***Class A1 Noteholders***'), the Class A2 Notes (the '***Class A2 Noteholders***'), the Class A3 Notes (the '***Class A3 Noteholders***'), the Class A4 Notes (the '***Class A4 Noteholders***'), the Class A5 Noteholders (the '***Class A5 Noteholders***'), the Class A6 Noteholders (the '***Class A6 Noteholders***' and the Class A7 Noteholders (the 'Class A7 Noteholders and together with the Class A1 Noteholders, the Class A2 Noteholders, the Class A3 Noteholders, the Class A4 Noteholders, the Class A5 Noteholders and the Class A6 Noteholders, the '***Initial Noteholders***'), and the holders for the time being of the Coupons (as defined below) appertaining to the Initial Notes (the '***Initial Couponholders***'). The Initial Notes are until the issuance of the Class A8 Notes on the Closing Date subject to the terms and conditions contained in the Original Trust Deed (the '***Initial Conditions***'). The Class A1 Notes were redeemed on 21 July 2008 and therefore any reference to Class A1 Notes and Class A1 Noteholders in the Initial Conditions has been deleted in the Conditions. The Class A2 Notes were redeemed on 20 April 2010 and therefore any reference to the Class A2 Notes and Class A2 Noteholders in the Initial Conditions has been deleted in the Conditions. Each of the Class A3 Notes and the Class A5 Notes will be redeemed on the Closing Date and therefore any references to the Class A3 Notes, the Class A3 Noteholders, the Class A5 Notes and the Class A5 Noteholders has been deleted in the Conditions.

The issue of the €625,000,000 Class A8 Secured Floating Rate Notes 2012 due 2017 (the '***Class A8 Notes***', and together with the Class A4 Notes, the Class A6 Notes and the Class A7

Notes, the '***Notes***') is expected to take place on 20 April 2012 (the '***Closing Date***') and was authorised by a resolution of the managing director of the Issuer passed on 17 April 2012.

The Class A8 Notes are issued under the Original Trust Deed as amended and restated on the Closing Date (the '***Trust Deed***') between the Issuer and the Security Trustee as trustee for the Class A4 Noteholders, the Class A6 Noteholders, the Class A7 Noteholders and the holders for the time being of the Class A8 Notes (the '***Class A7 Noteholders***' and, together with the Class A4 Noteholders, the Class A6 Noteholders and the Class A7 Noteholders, the '***Noteholders***'), and the holders for the time being of the Coupons (as defined below) appertaining to the Class A4 Notes, the Class A6 Notes, Class A7 Notes and to the Class A8 Notes (the '***Class A8 Couponholders***' and, together with the holders for the time being of the Coupons (as defined below) appertaining to the Class A4 Notes, the Class A6 Notes and the Class A7 Notes, the '***Couponholders***'). Upon the issuance of the Class A8 Notes on the Closing Date, the Notes shall be subject to the terms and conditions set out in the Trust Deed (the '***Conditions***').

The expression the '***Notes***' shall in the Conditions, unless the context otherwise requires, include any Further Notes (as defined below) issued pursuant to Condition 15 of the Conditions and forming a single class with the Notes. The expression '***Class***' means either the Class A4 Notes, the Class A6 Notes, the Class A7 Notes or the Class A8 Notes, as the case may be.

Security for the Notes and the other secured creditors of the Issuer (the '***Beneficiaries***') was created pursuant to, and on the terms set out in, a security agreement dated 18 July 2005 as amended and/or restated from time to time and as most recently amended and restated as of 2 February 2012 pursuant to the 2012 Conversion Amendment and Restatement Agreement and as further amended and restated on or around the Closing Date (the '***Security Agreement***'), and a pledge agreement dated 18 July 2005 (the '***Original Issuer Pledge Agreement***'), a pledge agreement dated on or around the Closing Date (the '***2012 Supplemental Issuer Pledge Agreement***' and together with the Initial Pledge Agreement, the 2007 Supplemental Issuer Pledge Agreement, the 2008 Supplemental Issuer Pledge Agreement and the 2010 Supplemental Issuer Pledge Agreement, the '***Issuer Pledge Agreement***' and the Issuer Pledge Agreement together with the Security Agreement being the '***Issuer Security Documents***'), and made between, *inter alios*, the Issuer and the Security Trustee.

Under the paying agency agreement dated 18 July 2005 as amended and/or restated from time to time and as most recently amended and restated on 16 April 2010 and as further amended and restated on or around the Closing Date (the '***Paying Agency Agreement***') between, *inter alios*, the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the '***Principal Paying Agent***'), Deutsche Bank AG, Amsterdam Branch as paying agent (the '***Paying Agent***' and together with the Principal Paying Agent, the '***Paying Agents***') and Deutsche Bank AG London as reference agent (the '***Reference Agent***' and, together with the Paying Agents, the '***Agents***') provision is made for, among other things, the payment of principal and interest in respect of the Notes.

Any reference to the Trust Deed, the Issuer Security Documents, the Paying Agency Agreement or any other Relevant Document (as defined below) is to such document as from time to time modified in accordance with its provisions and any deed or other document expressed to be supplemental to it, as from time to time so modified. References to the Security Trustee or

any of the Agents include references to its successors, transferees and assigns and, in the case of the Security Trustee, to any additional trustee appointed under the Trust Deed, or, as the case may be, pursuant to the Security Agreement.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Issuer Security Documents, the Paying Agency Agreement and the other Relevant Documents.

Copies of the master definitions and framework agreement dated 18 July 2005, as amended and/or restated from time to time and as most recently amended as of 2 February 2012 pursuant to the 2012 Amendment and Restatement Agreement and as further amended and restated on or around the Closing Date and signed by all parties to the Relevant Documents (the '***Master Definitions Agreement***'), the Trust Deed, the 2012 Master Amendment and Restatement Agreement, the Paying Agency Agreement, the Issuer Security Documents, the Secured Loan Agreement, the Liquidity Facility Agreement, the Corporate Services Agreements, the Bank Account and Cash Management Agreement, the Hedging Agreements (all as defined herein or otherwise in the Master Definitions Agreement) and the Class A8 Novation Deed (hereafter referred to as the '***Relevant Documents***') are available for inspection by the Noteholders during normal business hours at the specified offices for the time being of the Paying Agents and the present office of the Security Trustee, being at the date hereof Frederik Roeskestraat 123,1076 EE, Amsterdam, the Netherlands. The Noteholders and Couponholders are bound by, and are deemed to have notice of, all the provisions of the Relevant Documents.

Capitalised terms not otherwise defined in these Conditions shall, unless the context otherwise requires, have the meanings given to them in the Master Definitions Agreement available for inspection as described above.

1. Form, Denomination and Title

(a) Each class of Notes shall be initially represented by (i) in the case of the Class A4 Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of €300,000,000, (ii) in the case of the Class A6 Notes a Temporary Global Note in bearer form in the principal amount of €150,000,000, (iii) in the case of the Class A7 Notes a Temporary Global Note in bearer form in the principal amount of €350,000,000 and (iv) in the case of the Class A8 Notes a Temporary Global Note in the principal amount of €625,000,000 (each a '***Temporary Global Note***'). The Temporary Global Notes in respect of the Class A4 Notes were deposited on 20 July 2005 with Deutsche Bank AG, London Branch as common depository (the '***Common Depositary***') for Euroclear Bank S.A./ N.V., as operator of the Euroclear System ('***Euroclear***') and Clearstream Banking, société anonyme ('***Clearstream Luxembourg***'). Upon deposit of each such Temporary Global Note, Euroclear or Clearstream Luxembourg, as the case may be, will credit each purchaser of the Notes represented by such Temporary Global Note with the principal amount of the relevant class of Notes equal to the principal amount thereof for which it has purchased and paid. The Temporary Global Note in respect of the Class A6 Notes was delivered to a common safekeeper (the '***Common Safekeeper***') for Euroclear and/or Clearstream Luxembourg on 21 July 2008, the Temporary Global Note in respect of the Class A7 Notes was delivered to the Common Safekeeper for Euroclear and/or

Clearstream Luxembourg on 20 April 2010 and the Temporary Global Note in respect of the Class A8 Notes will be delivered to the Common Safekeeper for Euroclear and/or Clearstream Luxembourg. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than 40 days after the issue date (or the "restricted period" within the meaning of U.S. Treasury Regulation, Section 1.163-5(c)(2)(i)(D)(7)) of the relevant Notes (the '***Exchange Date***') for interests in a permanent global note (each a '***Permanent Global Note***'), in bearer form, without coupons, in the principal amount of the Notes of the relevant class (the expression '***Global Notes***' meaning the Temporary Global Notes and the Permanent Global Notes and the expression '***Global Note***' means either or both of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant class, the Permanent Global Note will remain with, in respect of the Class A4 Notes, the Common Depositary and, in respect of the Class A6 Notes, the Class A7 Notes and the Class A8 Notes, the Common Safekeeper. Title to the Global Notes will pass by delivery. The Permanent Global Note will be exchangeable for Definitive Notes (as defined below) only in the limited circumstances described below.

For so long as the Notes are represented by a Global Note, the Notes will be transferable in accordance with the rules and procedures of Clearstream Luxembourg or Euroclear, as appropriate.

(b) If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Issuer Event of Default, or (ii) either Euroclear or Clearstream Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

(i) Class A4 Notes in definitive form (the '***Class A4 Definitive Notes***') in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A4 Notes;

(ii) Class A6 Notes in definitive form (the '***Class A6 Definitive Notes***') in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A6 Notes;

(iii) Class A7 Notes in definitive form (the '***Class A7 Definitive Notes***') in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A7 Notes; and

(iv) Class A8 Notes in definitive form (the '***Class A8 Definitive Notes***' and together with the Class A4 Definitive Notes, the Class A6 Definitive Notes and the Class A7 Definitive Notes, the '***Definitive Notes'***) in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A8 Notes,

in each case within 30 days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

(c) Definitive Notes, if issued, will be in the denomination of €100,000 each, serially numbered and in bearer form with (at the date of issue) interest coupons ('***Coupons***'). Title to the Definitive Notes and Coupons will pass by delivery.

(d) The holder of any Definitive Note or Coupon may, to the fullest extent permitted by applicable law, be treated at all times, by all persons and for all purposes, including the making of any payments in respect of the Notes, as the absolute owner of that Definitive Note or Coupon regardless of any notice of ownership, destruction, theft or loss or of any trust or other interest in it or any writing on it. The holder of any Coupon (whether or not such Coupon is attached to the relevant Note) in his capacity as such shall be subject to and bound by all the provisions contained in the Note.

(e) Notes will bear the following legend:

"This Note has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the '***Securities Act***') and may not be offered or sold within the United States or to any U.S. person, except in an offshore transaction and in accordance with Regulation S under the Securities Act, unless an exemption from the registration requirements of the Securities Act is available. Terms used above have the meanings given to them by Regulation S.

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

Coupons (as defined herein) will bear the following legend:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

(f) '***Noteholders***' means (i) in relation to any Notes represented by a Global Note, each person (other than Clearstream Luxembourg or Euroclear) who is for the time being shown in the records of Clearstream Luxembourg or Euroclear as the holder of a particular Principal Amount Outstanding (as defined in Condition 6(c), for which purpose

any certificate or other document issued by Clearstream Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person will be conclusive and binding on the basis that that person shall be treated by the Issuer, the Security Trustee and all other persons as the holder of that Principal Amount Outstanding of those Notes for all purposes other than for the purpose of payments in respect of those Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note, who shall be regarded as the Noteholder for that purpose; and (ii) in relation to any Definitive Notes issued under Condition 1(b) of these Conditions, the bearers of those Definitive Notes; and related expressions shall be construed accordingly.

Any reference to the Notes shall include the Global Notes and where applicable, the Definitive Notes.

2. Status, Relationship between the Notes and the Security relating thereto

(a) The Notes and Coupons relating thereto constitute direct, secured and unconditional obligations of the Issuer and rank *pari passu* without any preference or priority among themselves. The rights of the Notes in respect of priority of payment of interest and principal are set out in Conditions 4 and 5 of these Conditions. The Notes are secured over the assets of the Issuer pursuant to and as more fully set out in, the Security Agreement.

(b) The Security Agreement contains provisions requiring the Security Trustee to have regard to the interests of the Class A4 Noteholders, the Class A6 Noteholders, the Class A7 Noteholders and the Class A8 Noteholders. As regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) as a single class, and the Beneficiaries provided that where there is, in the Security Trustee's opinion, a conflict of interest between the Beneficiaries, the Security Agreement requires the Security Trustee to refer to the Issuer Priority of Payment as set out in the Trust Deed which will determine whose interests will prevail.

(c) The Security Trustee shall assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Relevant Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders, the Liquidity Facility Provider and the other Beneficiaries if the Rating Agencies have confirmed that the then current ratings of the Notes would not be adversely affected by such exercise.

(d) In exercising its rights, powers, trusts, authorities, duties and discretions in accordance with Condition 2(c) of these Conditions above, the Security Trustee shall disregard any Step-Up Amount (defined below) for the purposes of determining whether there are any Notes of a particular class outstanding.

(e) The Notes are subject to the provisions of the Trust Deed, the Security Agreement, the Paying Agency Agreement and the other Relevant Documents (each as defined above).

3. Covenants of the Issuer

So long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Netherlands law and accounting practice and shall not, except to the extent permitted by the Relevant Documents or with the prior written consent of the Security Trustee:

(a) create, incur or suffer to exist any indebtedness other than pursuant to or contemplated by the Relevant Documents;

(b) form, or cause to be formed any subsidiaries;

(c) redeem any of its shares;

(d) create, incur or suffer to exist, or agree to create, incur or suffer to exist, or consent to cause or permit in the future (upon happening of a contingency or otherwise) the creation, incurrence or existence of any security interest or lien on or over any of its assets except for security interests or liens created by or pursuant to the Security Agreement in favour of the Security Trustee;

(e) issue any shares or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares, except for the shares issued to Stichting Vesteda Residential Funding II on or prior to the date hereof;

(f) take any action, or fail to take any action, if such action or failure to take action may interfere with the enforcement of any rights under the Relevant Documents with respect to the rights, benefits or obligations of the Security Trustee;

(g) waive or alter any rights it may have with respect to the Relevant Documents unless specifically contemplated by the Relevant Documents;

(h) take any action, or fail to take any action, if such action or failure to take action may interfere with the enforcement of any rights with respect to the Relevant Documents unless specifically contemplated by the Relevant Documents;

(i) fail to pay any tax which it is required to pay, or fail to defend any action, if such failure to pay or defend may adversely affect the priority or enforceability of the security created by or pursuant to the Security Agreement;

(j) merge with or into any person, effect a demerger, or transfer any of its assets to any person or liquidate or dissolve or otherwise terminate its existence;

(k) take or (if within its control) permit to be taken any action which would have the effect directly or indirectly of causing any amount to be deducted or withheld from interest payments on any of the Notes for or on account of tax;

(l) take or (if within its control) permit to be taken any action which would have the effect directly or indirectly of causing any amount to be deducted or withheld

from any payment in relation to the Relevant Documents to which it is a party for or on account of tax;

(m) sell, transfer, exchange or otherwise dispose of any of its assets except as permitted under, and contemplated by the Relevant Documents;

(n) engage in any business or activity other than in connection with the transaction contemplated by the Relevant Documents; or

(o) have any employees.

4. Interest

(a) Period of Accrual

The Class A4 Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6 of these Conditions) from (and including) the Initial Closing Date. The Class A6 Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6 of these Conditions) from (and including) the 2008 Closing Date. The Class A7 Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6 of these Conditions) from (and including) the 2010 Closing Date. The Class A8 Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6 of these Conditions) from (and including) the Closing Date. Each Note (or in the case of the redemption of part only of a Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agents to the holder thereof (in accordance with Condition 13 of these Conditions) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made.

(b) Floating Interest Periods and Interest Payment Dates

Interest on the Notes shall be payable by reference to successive interest periods (each an '***Interest Period***') and will be payable in arrear in euro in respect of the Principal Amount Outstanding of the Notes (as defined in Condition 6 of these Conditions), as at the start of the relevant Interest Period, of the Notes on the 20th day of October, January, April and July or, if such day is not a Business Day (as defined below), the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day (each such day being an '***Interest Payment Date***'). A '***Business Day***' means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the TARGET System is operating credit or transfer instructions in respect of payments in euro. Each successive Interest Period will commence on (and include), an Interest Payment Date and end on (but exclude) the next succeeding Interest Payment Date, except for the first Interest Period, which commenced in respect of the Class A4 Notes on the Initial Closing Date and ended (but excluded) 20 October 2005, which commenced in respect of the Class A6 Notes on the 2008 Closing Date and ended on (but excluded) 20 October 2008,

which commenced in respect of the Class A7 Notes on the 2010 Closing Date and ended on (but exclude) 20 July 2010 and which will commence in respect of the Class A8 Notes on the Closing Date and end on (but exclude) 20 July 2012.

(c) Rate of Interest on the Notes

The rate of interest on the Notes respectively (the '***Rate of Interest***'), for each Interest Period from (and including) the Closing Date, will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ('***Euribor***') for three months deposits increased with the relevant margin (the '***Relevant Margin***') which shall be the aggregate of:

(i) in respect of the Class A4 Notes, the aggregate of:

(A) 0.28 per cent. per annum; and

(B) for the period from (and including) the Interest Payment Date falling in July 2015 to the date when the Class A4 Notes have been redeemed in full, 1.00 per cent. per annum (the '***Class A4 Step-Up Margin***');

(ii) in respect of the Class A6 Notes, the aggregate of:

(A) 1.00 per cent. per annum; and

(B) for the period from (and including) the Interest Payment Date falling in July 2013 to the date when the Class A6 Notes have been redeemed in full, 1.00 per cent. per annum (the '***Class A6 Step-Up Margin***');

(iii) in respect of the Class A7 Notes, the aggregate of:

(A) 1.63 per cent. per annum; and

(B) for the period from (and including) the Interest Payment Date falling in July 2014 to the date when the Class A6 Notes have been redeemed in full, 1.00 per cent. per annum (the '***Class A6 Step-Up Margin***'); and

(iv) in respect of the Class A8 Notes, the aggregate of:

(A) 0.75 per cent. per annum; and

(B) for the period from (and including) the Interest Payment Date falling in October 2013 to the date when the Class A8 Notes have been redeemed in full, 1.00 per cent. per annum (the '***Class A8 Step-Up Margin***' and together with the Class A4 Step-Up Margin, the Class A6 Step-Up Margin and the Class A7 Step-Up Margin, the '***Step-Up Margins***').

The term '***Step-Up Amount***' shall mean the euro amounts payable resulting from the application of the Step-Up Margin in respect of a Note in accordance with the method described in Condition 4(e) of these Conditions below.

(d) Euribor

For the purpose of Condition 4(c) of these Conditions Euribor will be determined as follows:

(i) The Reference Agent will obtain for each Interest Period the rate equal to the sum of Euribor for three months deposits in euro. The Reference Agent shall use the Euribor rate which appears on the Telerate Page 248 (or following its replacement by Reuters Screen EURIBOR 01, the Euribor rate which appears on such Reuters Screen) as at or about 11:00 a.m. (Central European time) on the day that is two TARGET Settlement Days preceding the first day of each Interest Period (each an '***Interest Determination Date***'). A '***TARGET Settlement Day***' means (a) until such time as TARGET is permanently closed down and ceases operations, any day on which both TARGET and TARGET2 are, and (b) following such time as TARGET is permanently closed down and ceases operations, any day on which TARGET2 is, open for the settlement of payments in euro. '***TARGET System***' means (a) until such time as TARGET is permanently closed down and ceases operations, TARGET and TARGET2, and (b) following such time as TARGET is permanently closed down and ceases operations, TARGET2. '***TARGET***' means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises interlinked national real time gross settlement systems and the European Central Bank's payment mechanism and which began operations on 4 January 1999, and '***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.

(ii) If, on the relevant Interest Determination Date, such Euribor rate does not appear on the Telerate Page 248 (or its replacement Reuters Screen), or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:

(A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the '***Reference Banks***') to provide a quotation for the rate at which three months Euro deposits are offered by it in the Euro-zone interbank mark at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and

(B) determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; and

(iii) if fewer than two such quotations are provided as requested, the rates of Interest for the Interest Period in question shall be the Reserve Interest Rate plus the Relevant Margin. The '***Reserve Interest Rate***' shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates

quoted to the Reference Agent by two major banks in the Euro-zone, selected by the Reference Agent, at or about 11:00 a.m. (Central European time) on the relevant Interest Determination Date for 3 months loans in euros to leading European banks in an amount that is representative for a single transaction in the relevant market at the relevant time, and the Euribor for such Interest Period shall be the rate per annum equal to the Euro interbank offered rate for Euro deposits as determined in accordance with this paragraph (d), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Interest Period, Euribor applicable to the Notes during such Interest Period will be Euribor last determined in relation thereto.

(e) Determination of the Rate of Interest and Calculation of the Interest Amounts and Step-Up Amount

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each Interest Determination Date, determine (i) the Rate of Interest applicable to the Interest Period beginning on (and including) such Interest Determination Date in respect of each class of Notes, (ii) the euro amount (the '***Interest Amount***') payable in respect of such Interest Period in respect of a Note and (iii) the Step-Up Amounts (if any) payable in respect of such Interest Period in respect of a Note.

The Interest Amounts in respect of the Notes on a date shall be calculated by applying the Rate of Interest to the Principal Amount Outstanding of the Notes as at such date, multiplying such sum by the actual number of days in the Interest Period divided by 360 and rounding the resultant figure downward to the nearest euro cent.

The Step-Up Amounts in respect of the Notes on a date shall be calculated by applying the Step-Up Margin to the Principal Amount Outstanding of the Notes as at such date, multiplying such sum by the actual number of days in the Interest Period divided by 360 and rounding the resultant figure downward to the nearest euro cent.

(f) Notification of the Rate of Interest and the Interest Amount

Without prejudice to Condition 13 of these Conditions, the Reference Agent will cause the relevant Rate of Interest and the relevant Interest Amount and the Interest Payment Date applicable to the Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the ATC Entities, NYSE Euronext and to the holders of the Notes by an advertisement in the English language in the NYSE Euronext Daily Official List (*Officiële Prijscourant*). The Interest Amount and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(g) Determination or Calculation by Security Trustee

If the Reference Agent at any time for any reason does not determine the relevant Rate of Interest or fails to calculate the relevant Interest Amount in accordance with paragraph (e) above, the Security Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (e) above), it

shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Interest Amount or Step-Up Amount in accordance with paragraph (e) above, and each such determination or calculation shall be final and binding on all parties.

(h) Reference Banks and Reference Agent

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The identity of the Reference Banks will be determined by the Reference Agent at the relevant time. The initial Reference Agent shall be Deutsche Bank AG, London Branch. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the Notes in accordance with Condition 13 of these Conditions. If any person shall be unable or unwilling to continue to act as Reference Agent or if the appointment of the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Agent to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

(a) Payments of principal and interest in respect of the Global Notes will be made in euros against presentation, and (in the case of any payment which will result in all amounts of principal and interest having been paid on the relevant Global Note) surrender, of the relevant Global Note at the specified office of the Paying Agents.

(b) Payment of principal in respect of Definitive Notes will be made upon presentation and surrender of such Definitive Note at the specified office of the Paying Agents. Payments of interest in respect of the Definitive Notes will (subject as provided in this Condition 6(b) of these Conditions) be made only against presentation and surrender of the relevant Coupons at the specified office of the Paying Agents. Such payment will be made in euros in cash or by transfer to a euro account maintained by the payee with a bank in the Euro zone, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment. All payments of interest shall be made outside the United States.

(c) On the date upon which any Definitive Note becomes due and payable in full, unmatured Coupons (if any) of that class appertaining thereto (whether or not attached to such Note) shall become void and no payment shall be made in respect thereof. If the due date for redemption of any Definitive Note of a particular class is not an Interest Payment Date, accrued interest will be paid only against presentation and surrender of such Definitive Note.

(d) If any amount of principal is improperly withheld or refused on or in respect of any Note, the interest which continues to accrue in respect of such Note will be calculated in accordance with Condition 4 of these Conditions and will be paid against presentation of such Note at the specified office of the Paying Agents.

(e) At the Final Maturity Date (as defined in Condition 6 of these Conditions), or such earlier date the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8 of these Conditions).

(f) If the relevant Interest Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon, the holder thereof shall not be entitled to payment until the next following such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an Euro account as referred to above, the Principal Paying Agent shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agents and their initial specified offices are set out below.

(g) The Issuer reserves the right subject to the prior written approval of the Security Trustee to vary or terminate at any time the appointment of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes are listed on NYSE Euronext, Amsterdam shall be located in the Netherlands. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agents will be given to the Noteholders at least 30 days prior to such event taking effect, in accordance with Condition 13 of these Conditions.

6. Redemption and purchase

(a) Final redemption

Unless previously redeemed as provided below, the Issuer shall redeem the Notes at their Principal Amount Outstanding on the Interest Payment Date falling in July 2017 (the '***Final Maturity Date***'). The date on which the Notes are redeemed in full could be substantially earlier than the Final Maturity Date.

(b) Mandatory redemption from Available Redemption Funds

Following the occurrence of a Non-Payment on the Expected Maturity Date Event (as defined in the Master Definitions Agreement), but prior to the earlier of the occurrence of a Failure to Pay Principal Event or a Borrower Event of Default (each as defined in the Master Definitions Agreement) or the service of an Issuer Enforcement Notice (as defined in Condition

10 of these Conditions), on each Interest Payment Date (other than the Interest Payment Date on which the Notes are to be redeemed under Condition 6(a) of these Conditions above), the Issuer shall be obliged to apply firstly, *pro rata* and *pari passu*, the Class A6 Note Available Redemption Amount to redeem the Class A6 Notes at their Principal Amount Outstanding, secondly, *pro rata* and *pari passu*, the Class A8 Note Available Redemption Amount to redeem the Class A8 Notes at their Principal Amount Outstanding, thirdly, *pro rata* and *pari passu* the Class A7 Note Available Redemption Amount to redeem the Class A7 Notes at their Principal Amount Outstanding, and fourthly, *pro rata* and *pari passu*, the Class A4 Note Available Redemption Amount to redeem the Class A4 Notes at their Principal Amount Outstanding.

Following the occurrence of the earlier of a Failure to Pay Principal Event or a Borrower Event of Default (as defined in the Master Definitions Agreement), but, prior to the service of an Issuer Enforcement Notice (as defined in Condition 10 of these Conditions), on each Interest Payment Date (other than the Interest Payment Date on which the Notes are to be redeemed under Condition 6(a) of these Conditions above), the Issuer shall be obliged to apply the Class A4 Note Redemption Available Amount, the Class A6 Note Redemption Available Amount, the Class A7 Note Available Redemption Amount and the Class A8 Note Redemption Available Amount (as defined below) to redeem (or partly redeem) (i) the Class A4 Notes at their Principal Amount Outstanding, (ii) the Class A6 Notes at their Principal Amount Outstanding, (iii) the Class A7 Notes at their Principal Amount Outstanding, and (iv) the Class A8 Notes at their Principal Amount Outstanding, *pro rata* and *pari passu*, until fully redeemed.

The principal amount so redeemable in respect of each Note (each a '***Principal Redemption Amount***') on the relevant Interest Payment Date shall be the Note Redemption Available Amount relating to the relevant class of Notes on the Calculation Date relating to that Interest Payment Date, divided by the number of Notes of the relevant class subject to such redemption (rounded down to the nearest euro), provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note or the relevant class. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(c) Definitions

For the purposes of these Conditions the following terms shall have the following meanings:

'***Calculation Date***' means, in relation to an Interest Payment Date, the date falling five Business Days prior to such Interest Payment Date.

'***Class A4 Note Redemption Available Amount***' shall mean the aggregate amount received by the Issuer as repayment of principal under the Term A4 Loan (as defined in the Master Definitions Agreement), including any amounts received by the Issuer in respect of an optional prepayment of the Term A4 Loan, on the relevant Interest Payment Date pursuant to the Secured Loan Agreement.

'***Class A6 Note Redemption Available Amount***' shall mean the aggregate amount received by the Issuer as repayment of principal under the Term A6 Loan (as defined in the

Master Definitions Agreement), including any amounts received by the Issuer in respect of an optional prepayment of the Term A6 Loan, on the relevant Interest Payment Date pursuant to the Secured Loan Agreement.

'***Class A7 Note Redemption Available Amount***' shall mean the aggregate amount received by the Issuer as repayment of principal under the Term A7 Loan (as defined in the Master Definitions Agreement), including any amounts received by the Issuer in respect of the optional prepayment of the Term A7 Loan, on the relevant Interest Payment Date pursuant to the Secured Loan Agreement.

'***Class A8 Note Redemption Available Amount***' shall mean the aggregate amount received by the Issuer as repayment of principal under the Term A8 Loan (as defined in the Master Definitions Agreement), including any amounts received by the Issuer in respect of the optional prepayment of the Term A8 Loan, on the relevant Interest Payment Date pursuant to the Secured Loan Agreement.

'***Early Note Prepayment Percentage***' means with respect to the Class A6 Notes: if an optional redemption occurs during the period from and including 21 July 2012 up to, but excluding, the Interest Payment Date falling in July 2013, 0.5 per cent.

'***Early Note Prepayment Compensation Amount***' means with respect to a Note of a certain class an amount equal to X*Y whereby X is the relevant Redemption Amount (as defined below) in respect of that Note and Y is the Early Note Prepayment Percentage applicable to that Note (if any).

The '***Principal Amount Outstanding***' on any Calculation Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts in respect of that Note, that have been paid prior to such date.

(d) Determination of the Principal Redemption Amount and the Principal Amount Outstanding

(i) On each Calculation Date in circumstances where this Condition 6 of these Conditions requires, the Issuer shall determine (or cause the Reference Agent to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the Interest Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.

(ii) The Issuer will cause each determination of a Principal Redemption Amount and the Principal Amount Outstanding of Notes to be notified forthwith to the Reference Bank which will then forthwith notify the Security Trustee, the Paying Agents, Euroclear, Clearstream Luxembourg, NYSE Euronext and to the holders of Notes by an advertisement in the English language in the NYSE Euronext Daily Official List (*Officiële Prijscourant*). If no Principal Redemption Amount is due to be made on the Notes on any applicable Interest Payment Date, a notice to

this effect will be given to the Noteholders in accordance with Condition 13 of these Conditions.

(e) Optional redemption

(i) On giving not more than 60 nor less than 15 days' notice to the Security Trustee, the Paying Agents, the Reference Agent and the Noteholders in accordance with Condition 13 of these Conditions and provided that (A) on the Interest Payment Date on which such notice expires, no Issuer Enforcement Notice has been served by the Security Trustee and (B) the Issuer has, prior to giving such notice, certified to the Security Trustee, and provided evidence acceptable to the Security Trustee (by no later than five Business Days prior to the relevant Interest Payment Date) that it will have the necessary funds to pay all principal and interest and Step-Up Amounts (if any) due in respect of the Notes on such Interest Payment Date and to discharge any amounts required under the Security Agreement to be paid in priority to, or *pari passu* with the Notes to be redeemed on such Interest Payment Date (provided that the Class A4 Notes can only be redeemed simultaneously with or after the redemption of the Class A6 Notes and that those funds will on the redemption date be subject to the security constituted by the Security Agreement and not subject to the interests of any other person, the Issuer may redeem (i) on any Interest Payment Date, in whole or in part, the Class A4 Notes and the Class A8 Notes, and (ii) on any Interest Payment Date from and including the Interest Payment Date falling in July 2012, in whole or in part, the Class A6 Notes, and (iii) on any Interest Payment Date from and including the Interest Payment Date falling in July 2014, in whole or in part, the Class A7 Notes, provided that the minimum amount of any such redemption will be €2,000,000 in aggregate principal amount of the Notes and thereafter in multiples of €500,000 in aggregate principal amount or, if less, the aggregate Principal Amount Outstanding of the Notes to be redeemed on the relevant Interest Payment Date.

(ii) Any note redeemed pursuant to Condition 6(e)(i) of these Conditions will be redeemed at 100 per cent. of the then Principal Amount Outstanding of the relevant Note to be redeemed on the relevant Interest Payment Date (the '***Redemption Amount***') together with accrued but unpaid interest on the Principal Amount Outstanding of such Note and the relevant Early Note Prepayment Compensation Amounts, if required.

(f) Optional redemption for tax or other reasons

If the Issuer at any time satisfies the Security Trustee immediately prior to the giving of the notice referred to below that:

(i) by reason of a change in tax law (or the application or official interpretation thereof), on the next Interest Payment Date, the Issuer would be required to deduct or withhold from any payment of principal or interest on the Notes are to be made subject to withholding or deduction of 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 Netherlands or any political sub-division thereof or any authority thereof or therein; or

(ii) due to a change in law, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any advances made or to be made by it under the Secured Loan Agreement; or

(iii) by reason of a change in tax law (or the application or official interpretation thereof), on the next Interest Payment Date the Borrowers under the Secured Loan Agreement would be required to deduct or withhold from any payment of principal, interest or other sum due and payable under the Secured Loan Agreement 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 Netherlands or any political sub- division thereof or any authority thereof or therein,

then the Issuer may, on any date and having given not more than 60 nor less than 35 days' notice in writing (or, in the case of an event described in (ii) above, such shorter period expiring on or before the latest date permitted by relevant law) to the Security Trustee, the Paying Agents, the Reference Agent and the Noteholders in accordance with Condition 13 of these Conditions, redeem all, but not some only, of the Notes at their Principal Amount Outstanding together with accrued but unpaid interest and Step-Up Amount(s) (if any) on their Principal Amount Outstanding up to but excluding the date of repayment provided that any Note which is redeemed in accordance with this Condition 6(f) of these Conditions otherwise than on an Interest Payment Date (the '***Redemption Date***') shall be redeemed at its Principal Amount Outstanding on the Redemption Date together with (i) accrued but unpaid interest and Step-Up Amount(s) (if any) up to (and including) the Redemption Date and (ii) an additional amount equal to:

PAO x [(A-B) x C/360]

where:

'***PAO***' is the Principal Amount Outstanding of such Note to be redeemed on the Redemption Date:

'***A***' is the prevailing Rate of Interest for the Notes for the Interest Period during which the Redemption Date falls;

'***B***' is Euribor determined on the Relevant Date (as defined below) for a period equal to the period from (and including) the Business Day following the Redemption Date to (and excluding) the next succeeding Interest Payment Date ('***Note Relevant Period***'); and

'***C***' is the number of days in the Note Relevant Period.

For the purposes of this Condition 6(f), Euribor shall be calculated in accordance with the method prescribed in Condition 4(d) of these Conditions, but for a period equal to the Note Relevant Period.

(g) Failure to determine Principal Redemption Amount and Principal Amount Outstanding

If the Issuer (or the Reference Agent on its behalf) does not at any time for any reason determine a Principal Redemption Amount and the Principal Amount Outstanding of the Notes in accordance with Condition 6 of these Conditions such Principal Redemption Amount and Principal Amount Outstanding of the Notes shall be determined by the Security Trustee in accordance with Condition 6 of these Conditions and each such determination or calculation shall be deemed to have been made by the Issuer and shall, in the absence of manifest error, be binding upon the Issuer and the Noteholders.

(h) Notice of redemption

Any notice as is referred to in Condition 6(e) and 6(f) of these Conditions shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes at the amounts specified in these Conditions.

(i) No purchase by Issuer

The Issuer will not be permitted to purchase any of the Notes, other than in accordance with the Relevant Documents.

(j) Cancellation

All Notes redeemed in full will be cancelled upon redemption, together with any unmatured Coupons appertaining thereto and attached thereto or surrendered therewith, and may not be resold or re-issued.

7. Taxation

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within five years from the date on which such payment first becomes due.

9. No recourse

In the event that the Issuer Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under clause 8 of the Trust Deed in priority to, or *pari passu* with, the Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, the Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

10. Events of Default

The Security Trustee, if so requested in writing by the holders of the Notes holding at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes, or, if so directed by an Extraordinary Resolution of the Noteholders (subject, in each case, to being indemnified to its satisfaction) shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders) give notice (an '***Issuer Enforcement Notice***') to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur (each an '***Issuer Event of Default***'):

(a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the relevant class other than Step-Up Amounts; or

(b) the Issuer fails to perform any of its other material obligations binding on it under the Notes and the Relevant Documents and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or

(c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any material part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or

(d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of an administrator (*bewindvoerder*) of the Issuer; or

(e) the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with its creditors; or

(f) the Issuer files a petition for a provisional or definite suspension of payments (*surseance van betaling*) or for bankruptcy (*faillissement*) or is declared bankrupt.

11. Enforcement

(a) At any time if an Issuer Event of Default has occurred and an Issuer Enforcement Notice has been issued pursuant to Condition 10 of these Conditions, the Security Trustee may, at its discretion and without further notice, take such steps as it may think fit to enforce the Issuer Security Documents but it shall not be bound to take any such steps unless:

(i) it is directed by an Extraordinary Resolution of the Noteholders; or

(ii) it is so requested in writing by the holders of the Notes holding at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes; and, in each case

(iii) it shall have been indemnified to its satisfaction,

provided that it shall enforce an Issuer Security Document without such Extraordinary Resolution or directions referred to in (i) or (ii) above, as the case may be, if a failure to take immediate enforcement action would or may jeopardise the value or availability of the security created pursuant to any or all of the Issuer Security Documents for the benefit of the Noteholders.

(b) Enforcement of the Issuer Security Documents shall be the only remedy available to the Security Trustee, the Noteholders and the Couponholders for the recovery of amounts owing in respect of the Notes and the Coupons. If and to the extent that the net proceeds of realising the Issuer Security (after discharging prior ranking liabilities in accordance with the Security Agreement) are insufficient to pay in full principal and/or interest in respect of the Notes, then the obligations of the Issuer in respect of such unpaid amounts shall thereupon be extinguished.

(c) Neither the Security Trustee nor the Noteholders may institute against, or join any person in instituting against, the Issuer any bankruptcy, suspension of payment, winding up, insolvency or liquidation proceeding until one year after the payment in full of all obligations of the Issuer (secured pursuant to the Issuer Security Documents).

(d) No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing.

12. The Security Trustee

(a) The Trust Deed and the Security Agreement contain provisions governing the responsibility (and relief from responsibility) of the Security Trustee and providing for its indemnification in certain circumstances including provisions relieving it from taking enforcement proceedings or enforcing the Issuer Security Documents unless indemnified to its satisfaction.

(b) The Security Trustee, the Reference Agent and the Paying Agents and their related companies are entitled to enter into business transactions with the Issuer, the Hedging

Provider, any Fund Entity and/or related companies of any of them without accounting for any profit resulting therefrom.

(c) The Security Trustee will not be responsible for, *inter alia*, any loss occasioned thereby from moneys received or held by or on behalf of the Security Trustee which may, in accordance with the Security Agreement, be invested in its name by placing it on deposit in the name of the Security Trustee at any bank or institution as the Security Trustee may determine nor for any loss occasioned by the placing of any documents representing its interest in any of the secured assets in any receptacle, *inter alia*, selected by it or with notaries or attorneys.

13. Notices

With the exception of the publications of the Reference Agent in Condition 4 of these Conditions and of the Issuer in Condition 6 of these Conditions, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes are listed on NYSE Euronext, Amsterdam, in the English language in the NYSE Euronext's Daily Official List (*Officiële Prijscourant*). Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

(a) The Trust Deed contains provisions for convening meetings of the Noteholders, to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of a change of any of the Conditions or any provisions of the Relevant Documents, provided that no change of certain terms by the Noteholders including the date of maturity of any class of the Notes, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of the Notes referred to below as a '***Basic Terms Change***') shall be effective except, subject to the provisions of the Security Agreement, that if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Issuer Event of Default, such Basic Terms Change may, subject to the provisions of the Security Agreement, be sanctioned by an Extraordinary Resolution of the Noteholders as described below.

A meeting of the Noteholders as referred to above may be convened by the Issuer or by the Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes. The quorum for any meeting convened to consider an Extraordinary Resolution will be two-thirds of the Principal Amount Outstanding of the Notes and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution, including, the sanctioning of a Basic Terms Change shall be at least 75 per

cent. of the amount of the Principal Amount Outstanding of the Notes and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that (i) for an Extraordinary Resolution relating to the sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes and (ii) if the Extraordinary Resolution relates to the removal and replacement of any or all of the managing directors of the Security Trustee at least 30 per cent. of the Notes should be represented.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Notes, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Notes, as the case may be, shall take effect unless it shall have been sanctioned with respect to the Noteholders.

Any Extraordinary Resolution duly passed shall be binding on all the Noteholders (whether or not they were present at the meeting at which such resolution was passed).

(b) The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents, or the Notes which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that (i) the Security Trustee has notified the Rating Agencies and (ii) the Rating Agencies have confirmed that the then current rating of the Notes will not be adversely affected by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 of these Conditions as soon as practicable thereafter.

(c) In connection with the exercise of its functions (including but not limited to those referred to in this Condition 14) the Security Trustee shall have regard to the interests of the Noteholders as a whole and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15. Further Issues

(a) The Issuer may, without the consent of the Noteholders, but subject always to the provisions of these Conditions and the Trust Deed and provided it does not adversely affect the then current rating of the Notes, raise further funds, from time to time, on any date (subject to certain conditions being met), by the creation and issue of further Notes (the '***Further Notes***') in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, one of the classes of the Notes provided that:

(i) the aggregate principal amount of all Further Notes to be issued on such date is not less than €50,000,000;

(ii) such Further Notes shall rank no more than *pari passu* with the Notes then outstanding;

(iii) the Further Notes shall have the same benefit of the security granted to the Security Trustee in respect of the Notes and the Notes under the terms of the Security Agreement;

(iv) the Rating Agencies confirm in writing to the Security Trustee that the existing classes of the Notes and the Notes will not be downgraded as a result of the proposed issue of Further Notes or as a result of the manner of application of the proceeds of such Further Notes by way of further advances in accordance with the terms of the Secured Loan Agreement ('***Further Term Advances***'); and

(v) no Issuer Event of Default or Potential Issuer Event of Default has occurred or is continuing unremedied or unwaived.

(b) Any issue of Notes pursuant to Condition 15 shall be notified to the Noteholders in accordance with Condition 13.

16. New Notes

The Issuer may, without the consent of the Noteholders and the Couponholders but subject always to the provisions of these Conditions and the Trust Deed, raise further funds from time to time by the creation and issue of new notes (the '***New Notes***') in bearer form which may rank *pari passu* with the Notes or after the Notes carrying terms which differ from the Notes and which do not form a single series with the Notes provided that the conditions to the issue of Further Notes as set out in Condition 15 of these Conditions are met, *mutatis mutandis*, in respect of the issue of such New Notes.

17. Supplemental Trust Deeds and Security

Any such Further Notes or New Notes will be constituted by a further deed or deeds supplemental to the Trust Deed and have the benefit of security pursuant to the Security Agreement as described above in Condition 2 of these Conditions.

18. Governing Law

The Notes and Coupons are governed by, and will be construed in accordance with, the laws of the Netherlands. In relation to any legal action or proceedings arising out of or in connection with the Notes and Coupons, each of the Issuer, the holder of any Notes and the holder of any Coupons irrevocably submits to the jurisdiction of the competent court in Amsterdam, the Netherlands.

19. Additional obligations

For as long as the Notes are listed on NYSE Euronext, Amsterdam, the Issuer will comply with the provisions set forth in Rule 6.10 of NYSE Euronext - Rule Book, Book 1: Harmonised Market Rules, as amended from time to time.

THE CLASS A8 GLOBAL NOTES

The Class A8 Notes shall be initially represented by a Temporary Global Note in bearer form, without coupons, in the principal amount of €625,000,000 (the '***Class A8 Temporary Global Note***'). The Class A8 Temporary Global Note will on or around the Closing Date be deposited with a common safekeeper (the '***Common Safekeeper***') for Euroclear Bank S.A./N.V., as operator of the Euroclear System ('***Euroclear***') and/or Clearstream Banking, société anonyme ('***Clearstream Luxembourg***').

The Class A8 Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Class A8 Notes are intended upon issue to be deposited with one of Euroclear or Clearstream Luxembourg as Common Safekeeper and does not necessarily mean that the Class A8 Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Upon deposit of the Class A8 Temporary Global Note, Euroclear or Clearstream Luxembourg, as the case may be, will credit each purchaser of the Notes represented by the Class A8 Temporary Global Note with the principal amount of the Class A8 Notes equal to the principal amount thereof for which it has purchased and paid. Interests in the Class A8 Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than 40 days after the issue date of the Class A8 Notes (the '***Exchange Date***') for interests in a permanent global note (the '***Class A8 Permanent Global Note***'), in bearer form, without coupons, in the principal amount of the Notes of the relevant class (the expression '***Class A8 Global Notes***' meaning the Class A8 Temporary Global Note and the Class A8 Permanent Global Note and the expression '***Class A8 Global Note***' means either or both of them, as the context may require). On the exchange of the Class A8 Temporary Global Note for the Class A8 Permanent Global Note, the Class A8 Permanent Global Note will remain deposited with the Common Safekeeper.

The Class A8 Global Notes will be transferable by delivery. The Class A8 Permanent Global Note will be exchangeable for Class A8 Definitive Notes (defined below) only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream Luxembourg as the holder of a Class A8 Note will be entitled to receive any payment made in respect of that Class A8 Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Class A8 Notes, which must be made by the holder of the Class A8 Global Note, for so long as the Class A8 Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange the Class A8 Temporary Global Note for the Class A8 Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Class A8 Notes.

For so long as any Class A8 Notes are represented by the Class A8 Global Note, such Class A8 Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream Luxembourg, as appropriate.

For so long as all of the Class A8 Notes are represented by the Class A8 Global Notes and such Class A8 Global Notes are held on behalf of Euroclear and/or Clearstream Luxembourg, notices to the Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13 of these Conditions. Any such notice shall be deemed to have been given to the Class A8 Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream Luxembourg (as the case may be) as aforesaid.

For so long as a class of the Class A8 Notes are represented by a Class A8 Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream Luxembourg as the holder of a particular principal amount of Class A8 Notes will be treated by the Issuer and the Security Trustee as a holder of such principal amount of such Class A8 Notes and the expression Class A8 Noteholder shall be construed accordingly, but without prejudice to the entitlement of the bearer of relevant Class A8 Global Note to be paid principal thereon and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream Luxembourg as to the persons shown in its records as being entitled to such Class A8 Notes and the respective principal amount of such Class A8 Notes held by them shall be conclusive for all purposes.

If after the Exchange Date (i) the Class A8 Notes become immediately due and payable by reason of accelerated maturity following an Issuer Event of Default, or (ii) either Euroclear or Clearstream Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Class A8 Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue Class A8 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A8 Notes.

Such note in definitive form being referred to herein as '***Class A8 Definitive Notes***'.

The Issuer will issue Class A8 Definitive Notes in each case within 30 days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

MODELLING ASSUMPTIONS

Weighted Average Life of the Notes

The weighted average life of a Class A8 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 Class A8 Note is distributed to the investor. For purposes of this Prospectus, the weighted average life of a Note is determined by (i) multiplying the amount of each principal distribution thereon by the number of years from the Closing Date to the related Interest Payment Date, (ii) summing the results and (iii) dividing the sum by the aggregate amount of the reductions in the Principal Amount Outstanding of such Class A8 Note. Accordingly, the weighted average life of any such Class A8 Note will be influenced by, among other things, the rate at which principal of the relevant Term Loan is paid 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 A8 Notes.

The following tables indicate the resulting weighted average lives of the Class A8 Notes and sets forth the percentage of the initial Principal Amount Outstanding of the Class A8 Notes that would be outstanding after the Closing Date and on each Interest Payment Date, after repayment or prepayment, as applicable, of principal paid in that period, occurring in July of each year until July 2017.

	Class A8
Interest Payment Date	**Principal Amount Outstanding**
Initial Percentage of Principal Amount Outstanding	100%
July 2012	100%
October 2012	100%
January 2013	100%
April 2013	100%
July 2013	100%
October 2013	100%
January 2014	0%
April 2014	0%
July 2014	0%
October 2014	0%
January 2015	0%
April 2015	0%
July 2015	0%
October 2015	0%
January 2016	0%
April 2016	0%
July 2016	0%
October 2016	0%
January 2017	0%
April 2017	0%
July 2017	0%
Weighted Average Life of the Notes	1.52

Note: The Class A8 Notes are assumed to be redeemed at their Expected Maturity Date. For purposes of calculating the numbers in this table, the Interest Payment Date are assumed to fall on the 20th day of the month in which the relevant Interest Payment Date falls whether a Business Day or not.

TAXATION IN THE NETHERLANDS

The following summary of the Dutch tax aspects is based on Dutch laws, policy and case law as in force on the date of the issuance of this Prospectus. Future changes in law, whether retroactive or not, and the interpretation and application thereof may render this summary invalid. Certain Dutch tax aspects have been confirmed by the Dutch tax authorities in private letter rulings obtained on behalf of the Fund and associated entities.

The Information given below is neither intended as a tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the Class A8 Notes. Prospective purchasers are advised to acquaint themselves with the overall tax consequences of purchasing, holding and/or selling the Class A8 Notes or the Class A8 Coupons.

The Issuer has been informed that under the current tax law and jurisprudence of the Netherlands:

(A) All payments by the Issuer in respect of the Class A8 Notes or Class A8 Coupons can be made without withholding of, or deduction for, or on account of any present taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax.

(B) A corporation being a holder of a Class A8 Note or a Class A8 Coupon, that derives income from such Class A8 Note or Class A8 Coupon or that realises a gain on the disposal, deemed disposal, exchange or redemption of a Class A8 Note or a Class A8 Coupon, will not be subject to any Dutch taxes on income or capital gains at the standard rates, unless:

(i) the holder is, or is deemed to be a resident of the Netherlands; or

(ii) the holder has an enterprise or deemed enterprise or an interest in an enterprise or deemed enterprise in the sense of article 3.3 sub 1 subsection a of the Dutch Personal Income Tax Act (*Wet inkomstenbelasting 2001*) that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands, to which enterprise or part of an enterprise, as the case may be, the Class A8 Note or Class A8 Coupon is attributable or deemed attributable; or

(iii) the holder has a substantial interest or deemed substantial interest, as defined in Dutch tax law, in the share capital of the Issuer and the substantial interest does not form part of the business assets of the holder and the holder holds the shares in the Issuer with the main intention (or one of the main intentions) to avoid the levy of Dutch personal income tax or dividend withholding tax. If only dividend withholding tax is being avoided, then the statutory corporate income tax rates are reduced to 15%. The substantial interest levy may be reduced under a treaty to avoid double taxation.

For the purposes of this paragraph (iii), a substantial interest is generally present if a corporation directly or indirectly, owns or has certain other rights over, shares constituting 5% or more of the Issuer's aggregate issued share capital or, if the Issuer has several classes of shares, of the issued share capital of any class of shares or, if the Issuer has issued profit certificates, of profit certificates entitling him to at least 5% of the annual profit or to at least 5% of the liquidation proceeds. However, as the full aggregate issued share capital in the Issuer is held by the Shareholder and the Issuer has not issued any profit certificates, it is in the current structure not possible that a substantial interest will materialise at the level of a prospective Noteholder.

The statutory corporate income tax rates in 2012 are 20% for the first of €200,000 taxable income and 25% for taxable income exceeding €200,000.

An individual being a holder of a Class A8 Note or a Class A8 Coupon, who derives income from such Class A8 Note or Class A8 Coupon or who realises a gain on the disposal, deemed disposal, exchange or redemption of a Class A8 Note or Class A8 Coupon, will not be subject to any Dutch taxes on income or capital gains in respect of such income or gain unless the conditions as mentioned under (i) above is met, or unless:

(iv) the individual holder of a Class A8 Note or a Class A8 Coupon has elected to be taxed as a resident of the Netherlands; or

(v) the individual holder has an interest in an enterprise in the Netherlands in the sense of article 3.3 sub 1 subsection a of the Dutch Personal Income Tax Act to which enterprise the Class A8 Note or Class A8 Coupon is attributable; or

(vi) such income or gain form results from other activities performed in the Netherlands (*resultaat uit overige werkzaamheden*) as defined in the Dutch Personal Income Tax Act, which would for instance be the case if the activities in the Netherlands with respect to the Class A8 Notes exceed 'normal active asset management' (*normaal, actief vermogensbeheer*); or

(vii) such income or gain form results from the putting to the disposal of assets to certain related parties (*terbeschikkingstelling*) as defined in the Dutch Personal Income Tax Act. Such situation includes but is not limited to the case where the individual Class A8 Noteholder or any of his spouse, his partner, a person deemed to be his partner, or other persons sharing such person's house or household, or certain other of such person's relatives has a substantial interest in the Issuer, the Borrowers, any of the participants in the Fund or any other corporate entity that legally or de facto, directly or indirectly, has the disposition of the proceeds of the Class A8 Notes. For the purposes of this paragraph (vii), a substantial interest is generally

present if such individual alone or together with his spouse or partner, as the case may be, directly or indirectly, owns, or has certain other rights over, shares constituting five per cent. or more of a company's aggregate issued share capital or, if a company has several classes of shares, of the issued share capital of any class of shares or, if a company has issued profit certificates, of profit certificates entitling him to at least 5% of the annual profit or to at least 5% of the liquidation proceeds.

Any income and capital gains subject to Dutch income tax for individuals is taxed on the basis of a progressive scale rates up to 52%.

A holder of a Class A8 Note or Class A8 Coupon will not become or be deemed to become a resident of the Netherlands solely by reason of the execution, delivery and/or enforcement of the documents relating to the issue of the Class A8 Notes, the issue of the Class A8 Notes or the performance by the Issuer of its obligations under the Class A8 Notes.

(C) No gift, estate or inheritance taxes will arise in the Netherlands in respect of the transfer or deemed transfer of a Class A8 Note by way of a gift by, or on the death of, a Class A8 Noteholder who is not a resident or deemed resident of the Netherlands for the purpose of the relevant provisions, provided that (i) the transfer is not construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions, and (ii) in the case of a gift of Class A8 Notes by an individual holder who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual holder does not die within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands. In case a gift of Class A8 Notes only takes place if certain conditions are met, no gift tax will arise if the Class A8 Noteholder is neither (i) a resident or deemed resident of the Netherlands nor (ii) a resident or deemed resident within 180 days after the date on which the conditions are fulfilled. For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift.

(D) There will be no registration tax, capital transfer tax, customs duty, stamp duty, property transfer tax or any other similar tax or duty due in the Netherlands in respect of or in connection with the issue, transfer and/or delivery of the Class A8 Notes or Class A8 Coupons or the execution, delivery and/or enforcement by legal proceedings of the Relevant Documents or the performance of the Issuer's obligations thereunder or under the Class A8 Notes.

(E) No value added tax will be due in the Netherlands in respect of payments in consideration of the issue of the Class A8 Notes, and/or in respect of payments of interest and principal on a Class A8 Note or Class A8 Coupon, and/or in respect of the transfer of a Class A8 Note or a Class A8 Coupon, and/or in connection with the Relevant Documents or in connection with the arrangements contemplated thereby, other than value added tax on the fees payable for services which are not expressly exempt from VAT, such as management, administrative, notarial and similar activities, safekeeping of the Class A8 Notes and the handling and verifying of documents.

PURCHASE AND SALE

ABN AMRO Bank N.V. and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (together the '***Joint Lead Managers***' and each a '***Joint Lead Manager***') have, pursuant to a subscription agreement dated on or around the Closing Date, between the Joint Lead Managers, the Issuer, the Fund Manager and the Borrowers (the '***Class A8 Note Subscription Agreement***'), agreed with the Issuer, subject to certain conditions, to purchase the Class A8 Notes at their issue price. The Issuer has agreed to indemnify and reimburse each Joint Lead Manager against certain liabilities and expenses in connection with the issue of the Class A8 Notes.

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 Joint Lead Managers have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the '***Relevant Implementation Date***') it has not made and will not make an offer of Class A8 Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

(a) at any time 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), subject to obtaining the prior consent of the relevant Joint Lead Manager or Joint Lead Managers 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 Class A8 Notes shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression '***Prospectus Directive***' means Directive 2003/71/EC (and amendments thereto, including the 2010 Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression ***'2010 Amending Directive***' means Directive 2010/73/EU.

United States

The Class A8 Notes have not been and will not be registered under the Securities Act or the securities laws of any state within the United States and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Class A8 Notes are in bearer form and are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that it will not offer or sell the Class A8 Notes, (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering or the Closing Date, except in offshore transactions and in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that:

(a) neither it nor any of its affiliates (including any person acting on its behalf or on behalf of any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Class A8 Notes; and

(b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

Each Joint Lead Manager has also undertaken that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases the Class A8 Notes from it during the restricted period a confirmation or notice in substantially the following form:

"The Securities covered hereby have not been registered under 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, (a) as part of their distribution at any time; or (b) otherwise until forty (40) days after the later of the commencement of the offering and the Closing Date, except in either case in offshore transactions and in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, each Joint Lead Manager have represented to and agreed with the Issuer that:

(a) except to the extent permitted under United States Treasury Regulation, Section 1.163-5(c)(2)(i)(D) (the '***D Rules***'), (i) it has not offered or sold, and during the restricted period that it will not offer or sell, any Class A8 Notes to a person who is within the United States or its possessions or to a U.S. person; and (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any Class A8 Notes that are sold during the restricted period;

(b) it has, and throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Class A8 Notes are aware that the Class A8 Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person, except as permitted by the D Rules;

(c) if it is a United States person, it is acquiring the Class A8 Notes for purposes of resale in connection with their original issuance and, if it retains Class A8 Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation, Section 1.163-5(c)(2)(i)(D)(6);

(d) with respect to each affiliate which acquires Class A8 Notes from it for the purpose of offering or selling such Class A8 Notes during the restricted period, it has either: (i) repeated and confirmed the representations and agreements contained in paragraphs (a), (b) and (c) on its own behalf; or (ii) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a), (b) and (c); and

(e) it shall obtain for the benefit of the Issuer the representations, undertakings and agreements contained in paragraphs (a), (b) and (c) from any person other than its affiliate with whom it enters into a written contract, (a "**distributor**" as defined in United States Treasury Regulation, Section 1.163-5(c)(2)(i)(D)(4)), for the offer or sale during the restricted period of the Class A8 Notes.

Terms used in this section have the meanings given to them by Regulation S under the Securities Act and by the United States Internal Revenue Code 1986, as amended, and regulations thereunder, including the D Rules.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ('***FSMA***')) received by it in connection with the issue or sale of the Class A8 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 Class A8 Notes in, from or otherwise involving the United Kingdom.

General

The distribution of this Prospectus and the offering of the Class A8 Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are

required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer, or an invitation to subscribe for or purchase, any Class A8 Notes.

GENERAL INFORMATION

1. The issue of the Class A8 Notes has been authorised by a resolution of the managing director of the Issuer adopted on 17 April 2012.

2. The Class A8 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of NYSE Euronext and will bear common code 077204105 and ISIN XS0772041058.

3. There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.

4. Ernst & Young Accountants LLP, auditors of the Issuer has given and not withdrawn its written consent to the inclusion herein of its report in the form and context in which it appears on pages 172 and 173.

5. Ernst & Young Accountants LLP, auditors of the Vesteda Group, has given and not withdrawn its written consent to the inclusion herein of its report in the form and context in which it appears on pages 164 and 165.

6. Since its incorporation, the Issuer has not been aware of or involved in any governmental, legal or arbitration proceedings (including, as far as the Issuer is aware, any such proceedings which are pending or threatened against the Issuer), which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability. In the last 12 months, non of the Fund Entities has been aware of or involved in any governmental, legal or arbitration proceedings (including, as far as any of the Fund Entities is aware, any such proceedings which are pending or threatened against any of the Fund Entities), which may have, or have had in the recent past, significant effects on any of the Fund Entities financial position or profitability.

7. Copies of the following documents may be inspected (and, in the case of the documents listed in (d), (e) and (f) below, will be made available on the website of the Fund (www.vesteda.com) or a secured part thereof and, in the case of the documents listed in (a), (b), (c), (d), (e) and (f) below, may be obtained in hard copy form) during normal business hours at the specified offices of the Security Trustee and the Paying Agents at any time after the date of this document for the life of this document:

   (a) copies of:

      (i) the Deed of Incorporation of the Issuer;

      (ii) the Bank Account and Cash Management Agreement;

      (iii) the Corporate Services Agreements;

(iv) the Fund Terms and Conditions;

(v) the 2009 Amendment Agreement;

(vi) indemnification agreement and blocked account pledge dated 18 April 2012;

(vii) the 2012 Conversion Amendment and Restatement Agreement;

(viii) the Cost Allocation Agreement; and

(ix) the articles of association of each Borrower.

(b) prior to the Closing Date, drafts (subject to modification) and after the Closing Date, copies of the following documents:

(i) the Secured Loan Agreement;

(ii) the Paying Agency Agreement;

(iii) the Trust Deed;

(iv) the Security Agreement;

(v) the Mortgage Powers of Attorney;

(vi) the 2012 Supplemental Issuer Pledge Agreement;

(vii) the Original Hedging Agreement;

(viii) the Liquidity Facility Agreement;

(ix) the Master Definitions Agreement;

(x) the 2012 Supplemental Hedging Agreement;

(xi) the Class A8 Novation Deed;

(xii) the 2012 Master Amendment and Restatement Agreement; and

(c) the most recent audited financial statements of the Issuer;

(d) the most recent Annual Report;

(e) the most recent Quarterly Report; and

(f) the most recent Borrower Compliance Certificate.

8. The audited financial statements of the Issuer prepared annually shall be made available, free of charge, at the specified offices of the Paying Agents.

9. The following documents are incorporated herein by reference and shall be made available, free of charge, at the office of the Issuer during normal business hours:

   (a) the articles of association of the Issuer;

   (b) the financial statements of Vesteda Woningen for the year 2010;

   (c) the financial statements of Vesteda Woningen for the year 2011;

   (d) the financial statements of the Issuer for the year 2010; and

   (e) the financial statements of the Issuer for the year 2011.

10. This Prospectus is to be read in conjunction with documents that are deemed to be incorporated herein by reference. This Prospectus shall be read and construed on the basis that such document is incorporated in and forms part of this Prospectus.

11. This Prospectus constitutes a prospectus for the purpose of the Rules set forth in Euronext Rule Book, Book 1 (Harmonised Market Rules) NYSE Euronext and for the purposes of Directive 2003/71/EC of 4 November 2003 (and amendments thereto, including Directive 2010/73/EU to the extent implemented in The Netherlands).

12. Each individual auditor to the Issuer and Vesteda Group is a member of the Royal NIVRA (*Koninklijk Nederlands Instituut van Registeraccountants*).

13. There has been no significant change in the financial or trading position of Vesteda Group since the end of the last financial period and the last financial statement published.

14. There has been no material adverse change in the prospects of Vesteda Group since the date of its last published audited financial statements.

15. The estimated aggregate costs of the transaction described in this Prospectus amount to 1 per cent. of the proceeds of the Class A8 Notes.

16. This Prospectus has been approved by the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*) in compliance with Directive 2003/71/EC of 4 November 2003 (and amendments thereto, including Directive 2010/73/EU to the extent implemented in The Netherlands).

17. The Issuer is responsible for the information contained in this Prospectus other than the information referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, except for the information for which Vesteda Investment

Management B.V. is responsible contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

18. Vesteda Investment Management B.V., acting in its capacity as manager (*beheerder*) of Vesteda Residential Fund, a fund for joint account of the participants (*fonds voor gemene rekening*) organised under the laws of the Netherlands, is responsible solely for the information contained in the following sections of this Prospectus: *Overview of the Netherlands Residential Property Market*, *Vesteda Group – Corporate Profile and Business*, *Property Leasing in the Netherlands – Regulatory Framework*, *Description of the Portfolio*, *Management of the Fund* and *Financial Information*. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, provided by Vesteda Investment Management B.V. contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Vesteda Investment Management B.V. accepts responsibility accordingly.

19. Information that has been sourced from a third party, has been accurately reproduced and as far as the Issuer and Vesteda Investment Management B.V. are aware and are able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20. No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Class A8 Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, Vesteda Investment Management B.V., the Sole Arranger or any Joint Lead Manager.

21. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Class A8 Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Class A8 Notes in certain jurisdictions may be restricted by law.

22. Persons into whose possession this document (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Class A8 Notes and on the distribution of this Prospectus is set out in the section *Purchase and Sale*. No one is authorised to give any information or to make any representation concerning the issue or the offering of the Class A8 Notes other than those contained in this Prospectus in accordance with applicable laws and regulations.

23. Each investor contemplating purchasing any Class A8 Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Class A8 Notes constitutes an offer or invitation by or on behalf of the Issuer or any Joint Lead Manager to any person to subscribe for or to purchase any Class A8 Notes.

24 Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Class A8 Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus.

25. Any Joint Lead Manager expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Class A8 Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Class A8 Notes.

26 The Class A8 Notes have not been and will not be registered under the Securities Act, and include Class A8 Notes in bearer form that are subject to US tax law requirements. The Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S) except in certain transactions permitted by U.S. tax regulations and exempt from the registration requirements of the Securities Act. For a more complete description of restrictions on offers and sales and applicable U.S. tax law requirements, see the section *Purchase and Sale*.

27 In this Prospectus, unless otherwise specified, references to "€", "EUR" or "euro" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

28. The Issuer will use (i) receipts of funds from the Borrowers under the Secured Loan Agreement, (ii) the receipt by it of interest on moneys on deposit, (iii) the receipt by it of payments from the Liquidity Facility Provider under the Liquidity Facility Agreement, and (iv) the receipt by it of payments from the Hedging Providers under the Hedging Agreements, to make payments of, *inter alia*, principal and interest due in respect of the Class A8 Notes. These sources have in the opinion of the Issuer characteristics that demonstrate capacity to service payments of principal and interest when due and payable under the Class A8 Notes, although no guarantee can be given that the actual payments received by the Issuer will be sufficient to make such payments under the Class A8 Notes.

INDEX OF DEFINED TERMS

REGISTERED OFFICES

ISSUER

Vesteda Residential Funding II B.V.
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1076 EE Amsterdam
The Netherlands

CORPORATE ADMINISTRATOR

ATC Financial Services B.V.
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1076 EE Amsterdam
The Netherlands

SECURITY TRUSTEE

Stichting Vesteda Residential Funding II
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1076 EE Amsterdam
The Netherlands

LEGAL ADVISERS

To the Borrowers and the Issuer as to Dutch law:
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1077 ZZ Amsterdam
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To the Sole Arranger and the Joint Lead Managers as to Dutch law and English law:
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TAX ADVISERS

To the Borrowers and the Issuer:

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