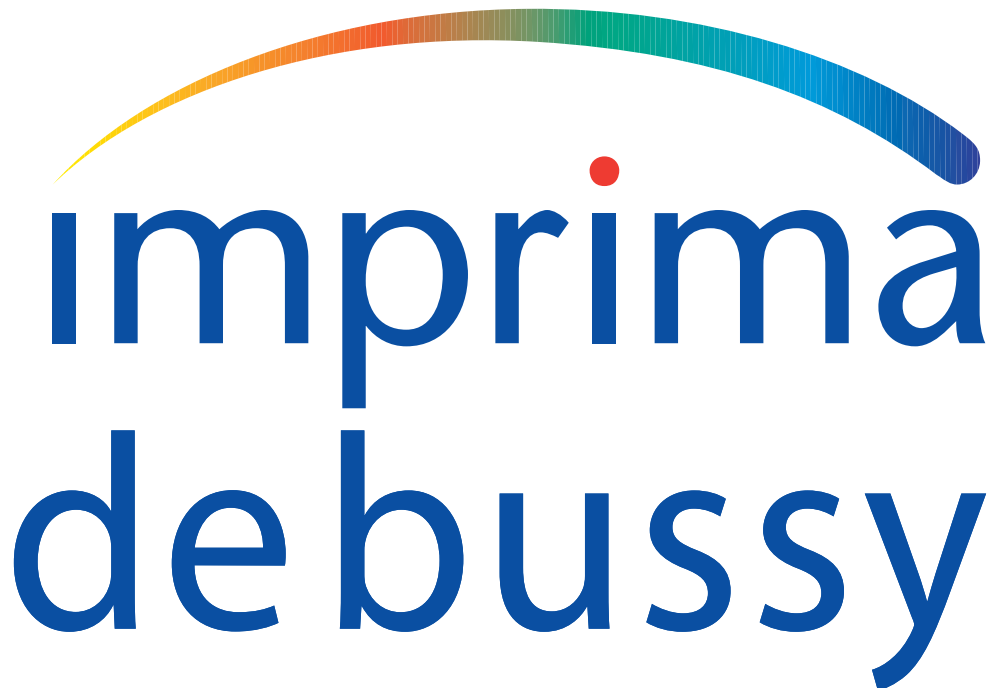


E L E C T R O N I C P R O O F

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OFFERING CIRCULAR DATED 7 DECEMBER 2004

## E-MAC NL 2004-II B.V.

(incorporated with limited liability in the Netherlands)

**Euro 584,000,000 Floating Rate Senior Class A Mortgage-Backed Notes 2004 due 2037,  
issue price 100 per cent.**

**Euro 13,000,000 Floating Rate Mezzanine Class B Mortgage-Backed Notes 2004 due 2037,  
issue price 100 per cent.**

**Euro 8,500,000 Floating Rate Junior Class C Mortgage-Backed Notes 2004 due 2037,  
issue price 100 per cent.**

**Euro 4,500,000 Floating Rate Subordinated Class D Mortgage-Backed Notes 2004 due 2037,  
issue price 100 per cent.**

## GMAC RFC Nederland B.V.

as Seller and MPT Provider

Application has been made to list the euro 584,000,000 Floating Rate Senior Class A Mortgage-Backed Notes 2004 due 2037 (the "**Senior Class A Notes**"), the euro 13,000,000 Floating Rate Mezzanine Class B Mortgage-Backed Notes 2004 due 2037 (the "**Mezzanine Class B Notes**"), the euro 8,500,000 Floating Rate Junior Class C Mortgage-Backed Notes 2004 due 2037 (the "**Junior Class C Notes**"), the euro 4,500,000 Floating Rate Subordinated Class D Mortgage-Backed Notes 2004 due 2037 (the "**Subordinated Class D Notes**") on Euronext Amsterdam. The euro 3,050,000 Subordinated Class E Notes due 2037 (the "**Subordinated Class E Notes**") and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes, the "**Notes**") will not be listed. The Notes are expected to be issued on 8 December 2004. This Offering Circular constitutes a prospectus for the purposes of the listing and issuing rules of Euronext Amsterdam N.V.

The Notes will carry floating rates of interest, payable quarterly in arrear on each Quarterly Payment Date. The respective rates of interest will be three months Euribor plus, up to (but excluding) the First Put Date, for the Senior Class A Notes a margin of 0.13 per cent. per annum, for the Mezzanine Class B Notes a margin of 0.32 per cent. per annum, for the Junior Class C Notes a margin of 0.62 per cent. per annum, for the Subordinated Class D Notes a margin of 0.95 per cent. per annum. On the First Put Date, the margin for each Class of Notes will be reset in accordance with the Conditions of the Notes.

Each Put Option Noteholder has the right to exercise the Put Option on the First Put Date and each Put Date thereafter by giving a Put Notice during the relevant Put Notice Period. The Put Option Notes in respect of which the Put Option is exercised will be redeemed at their Principal Amount Outstanding subject to and in accordance with the Conditions of the Notes. Any Put Option Notes in respect of which the Put Option is not exercised will not be redeemed on such Put Date, unless any of S&P, Moody's or Fitch does not confirm the then current ratings assigned to the Put Option Notes. In case the withholding or deduction of taxes, duties, assessments or charges is required by law in respect of payments of principal and/or interest on the Notes, such withholding or deduction will be made without an obligation of the Issuer to pay any additional amount to the Noteholders.

The Notes will mature on the Quarterly Payment Date falling in January 2037. On the Quarterly Payment Date falling in January 2005 and each Quarterly Payment Date thereafter, the Put Option Notes will be subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with, the Conditions of the Notes. If on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Put Option Notes is not more than 10 per cent. of the Principal Amount Outstanding of the Put Option Notes on the Closing Date, the Issuer will have the option to redeem all of the Notes in whole but not in part at their Principal Amount Outstanding, subject to and in accordance with the Conditions of the Notes. As of the First Put Date the Subordinated Class E Notes will be subject to mandatory partial redemption in the circumstances set out in, subject to and in accordance with the Conditions through the application of the Class E Redemption Amount.

It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned an AAA rating by S&P, an Aaa rating by Moody's and an AAA rating by Fitch, the Mezzanine Class B Notes, on issue, be assigned an A rating by S&P, and Aa3 rating by Moody's and an A rating by Fitch, the Junior Class C Notes, on issue, be assigned a BBB+ rating by S&P, a Baa1 rating by Moody's and a BBB+ rating by Fitch, the Subordinated Class D Notes, on issue, be assigned a BBB rating by S&P and a BBB rating by Fitch and the Subordinated Class E Notes, on issue, be assigned a BB+ rating by S&P and a BB+ rating by Fitch. These security ratings do not address the timely or ultimate payment of the Subordinated Extension Interest Part or of payments due to be made by the Issuer under the Put Option on a Put Date. 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.

**For a discussion of some of the risks associated with an investment in the Notes, see *Special Considerations* herein.**

The Notes will be indirectly secured by a pledge over the Mortgage Receivables, the Beneficiary Rights, the balance on the Seller Collection Account and a pledge over other assets of the Issuer. The right to payment of interest and principal on the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes will be subordinated and may be limited as further described herein.

The Notes of each Class will be initially represented by Temporary Global Notes in bearer form, without coupons, which are expected to be deposited with a common depository for Euroclear and Clearstream, Luxembourg on or about the Closing Date. Interests in each Temporary Global Note will be exchangeable for interests in a Permanent Global Note of the relevant Class, without coupons, not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note will, in certain limited circumstances, be exchangeable for Notes in definitive bearer form as described in the Conditions of the Notes.

The Notes will be solely the obligations of the Issuer. The Notes will not be the obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Secured Parties, the Managers, the GIC Provider, the Extension Margin Agent, the Listing Agent, the Security Trustee or any other person in whatever capacity acting. No liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes will be accepted by the Secured Parties, the Managers, the GIC Provider, the Extension Margin Agent, the Listing Agent, the Security Trustee or any other person in whatever capacity. None of the Secured Parties, the Managers, the GIC Provider, the Extension Margin Agent, the Listing Agent and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

Capitalised terms used in this Offering Circular, unless otherwise indicated, have the meanings as set out in Annex A to this Offering Circular.

Arranger and Sole Bookrunner

**Citigroup**

Class A Co-manager  
**ABN AMRO**

## IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Offering Circular other than the information referred to in the following two paragraphs. To the best of its knowledge and belief the information, except for the information for which the Seller or STATER are responsible, contained in this Offering Circular is in accordance with the facts and there are no other facts, the omission of which would, in the context of the issue of the Notes, make any statements herein, whether of fact or opinion, misleading in any material respect. The Issuer accepts responsibility accordingly.

The Seller is responsible solely for the information contained in the following sections of this Offering Circular: *Overview of the Netherlands Residential Mortgage Market, GMAC RFC Nederland B.V., Description of the Mortgage Loans, Mortgage Loan Underwriting and Origination and Administration of the Mortgage Receivables* and not for information contained in any other section and consequently, the Seller does not assume any liability in respect of the information contained in any section other than the sections *Overview of the Netherlands Residential Mortgage Market, GMAC RFC Nederland B.V., Description of the Mortgage Loans, Mortgage Loan Underwriting and Origination and Administration of the Mortgage Receivables*. To the best of its knowledge and belief the information, contained in the sections referred to in this paragraph, is in accordance with the facts and there are no other facts, the omission of which would, in the context of the issue of the Notes, make any statements herein, whether of fact or opinion, misleading in any material respect. The Seller accepts responsibility accordingly.

STATER is responsible solely for the information contained in the section *STATER Nederland B.V.* and not for information contained in any other section and consequently, STATER does not assume any liability in respect of the information contained in any section other than the section *STATER Nederland B.V.*

This Offering Circular is to be read in conjunction with the articles of association of the Issuer which are deemed to be incorporated herein by reference (see *General Information*). Consequently, this Offering Circular will be read and construed on the basis that such document is incorporated in and forms part of this Offering Circular.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Managers.

Neither this Offering Circular nor any part hereof constitutes an offer or an invitation to sell or a solicitation of an offer to buy the 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 Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Offering Circular (or any part hereof) 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 Notes and on the distribution of this Offering Circular is set out in *Purchase and Sale*. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Offering Circular in accordance with applicable laws and regulations.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs of the Issuer and its own appraisal of the creditworthiness of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Offering Circular. The Issuer and the Seller have no obligation to update this Offering Circular, except when required by the listing and issuing rules of Euronext Amsterdam.

The Managers and the Seller expressly do not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase, hold or sell any Notes during the life of the Notes.

The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is unlawful.

The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), and include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, including offers or sales to certain persons in offshore transactions in reliance on Regulation S under the Securities Act, the Notes may not be offered, sold or delivered within the United States or to US persons.

In connection with the issue of the Notes, Citigroup (the “**Stabilising Manager**”) (or any duly appointed person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all applicable laws and regulations. In accordance with the rules of Euronext Amsterdam, such stabilising will in any event be discontinued within 30 days after the Closing Date. Stabilisation transactions conducted on Euronext Amsterdam must be conducted on behalf of the Stabilising Manager, by a member of Euronext Amsterdam and must be conducted in accordance with all applicable laws and regulations of Euronext Amsterdam and Article 32 (and Annex 6) of the Further Regulation on Market Conduct Supervision of the Securities Trade 2002 (“*Nadere Regeling Gedragstoezicht Effectenverkeer 2002*”) as amended.

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## SUMMARY

The following is a summary of the principal features of the issue of the Notes. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Offering Circular.

### Parties:

Issuer:	E-MAC NL 2004-II B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”).
Seller:	GMAC RFC Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”). GMAC RFC Nederland B.V. is a wholly owned subsidiary of Residential Funding Corporation and an indirect wholly owned subsidiary of General Motors Acceptance Corporation (See <i>GMAC RFC Nederland B.V.</i> ).
Issuer Administrator:	GMAC RFC Nederland.
MPT Provider:	GMAC RFC Nederland. The MPT Provider will appoint STATER Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (“ <i>besloten vennootschap met beperkte aansprakelijkheid</i> ”), as its sub-agent to provide certain of the MPT Services (excluding the Defaulted Loan Services) (See <i>Issuer Services Agreement</i> ).
Security Trustee:	Stichting Security Trustee E-MAC NL 2004-II, established under the laws of the Netherlands as a foundation (“ <i>stichting</i> ”).
Stichting Holding:	Stichting E-MAC NL Holding, established under the laws of the Netherlands as a foundation (“ <i>stichting</i> ”). The entire issued share capital of the Issuer is owned by Stichting Holding.
Directors:	ATC Management B.V., the sole director of the Issuer, Amsterdamsch Trustee’s Kantoor B.V., the sole director of the Security Trustee and ATC Management B.V., the sole director of Stichting Holding. The Directors belong to the same group of companies.
Liquidity Facility Provider:	ABN AMRO Bank N.V., incorporated under the laws of the Netherlands as a public company (“ <i>naamloze vennootschap</i> ”).
Swap Counterparty:	ABN AMRO, acting through its London Branch.
Savings Insurance Companies:	DBV, Universal and Allianz, each incorporated under the laws of the Netherlands as a public company (“ <i>naamloze vennootschap</i> ”).
Further Advance Participant:	GMAC RFC Nederland.
GIC Provider:	ABN AMRO.
Paying Agent:	ABN AMRO.
Reference Agent:	ABN AMRO.
Listing Agent:	Citigroup Global Markets Limited.
Extension Margin Agent:	Citigroup Global Markets Limited.

### THE NOTES:

Notes:	The Notes will be issued by the Issuer on the Closing Date.
Issue Price:	The issue prices of the Notes will be as follows: <ul style="list-style-type: none"><li>(i) the Senior Class A Notes 100 per cent.;</li><li>(ii) the Mezzanine Class B Notes 100 per cent.;</li><li>(iii) the Junior Class C Notes 100 per cent.;</li><li>(iv) the Subordinated Class D Notes 100 per cent; and</li></ul>

(v) the Subordinated Class E Notes 100 per cent.

Denomination: The Notes will be issued in denominations of euro 500,000 each except for the Subordinated Class E Notes, which will be issued in a denomination of euro 610,000 each.

Status and Ranking The Notes of each Class rank *pari passu* without any preference or priority among Notes of the same Class. In accordance with the Conditions of the Notes and the Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Junior Class C Notes are subordinated to, *inter alia*, payments of principal and on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Subordinated Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes and (iv) payments of principal and interest on the Subordinated Class E Notes are subordinated to, *inter alia*, payment of principal and interest on the Senior Class A notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes. See further *Terms and Conditions of the Notes*.

Interest: Interest on the Notes is payable by reference to a Floating Rate Interest Period and will be payable quarterly on each Quarterly Payment Date in arrear in euro in respect of the Principal Amount Outstanding of the Notes on the first day of such Floating Rate Interest Period. Each successive Floating Rate Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in January 2005. The interest will be calculated on the basis of the actual days elapsed in the Floating Rate Interest Period divided by 360 days.

Interest on the Notes for each Floating Rate Interest Period will accrue from the Closing Date until the First Put Date, at an annual rate equal to the sum of Euribor for three months deposits in euro (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for one and two months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005 being rounded upwards) as offered on or about 11.00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period plus the Initial Margins.

As of the First Put Date, interest on the Notes will be equal to the sum of Euribor for three months deposits plus the relevant Extension Margin (see *Determination of Extension Margins*). From the First Put Date, the Subordinated Extension Interest Part will be subordinated to certain other payment obligations of the Issuer as set forth in the Interest Priority of Payments.

Put Option: Each Put Option Noteholder has the right to exercise the Put Option on each Put Date, by giving a Put Notice to the Issuer and the Paying Agent during the relevant Put Notice Period.

As long as the Put Option Notes are represented by a Global Note or are in definitive form and held through Euroclear or Clearstream, Luxembourg, the Put Option Noteholders must, in order to exercise the Put Option in respect of a Put Option Note, deliver to the Issuer and the Paying Agent a Put Notice within the relevant Put Notice Period, in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given, on the Put Option Noteholder's instruction, by Euroclear or Clearstream, Luxembourg or



any common depository acting for them to the Issuer and the Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, at the same time present or procure the presentation of the relevant Global Note(s) to the Paying Agent for notification accordingly.

If the relevant Put Option Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, the Put Option Noteholder must, in order to exercise the Put Option, deliver within the relevant Put Notice Period, a Put Notice at the specified office of the Issuer and the Paying Agent at any time during normal business hours of the Issuer and the Paying Agent, specifying a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under Condition of the Notes 6 accompanied by the relevant Put Option Note or evidence satisfactory to the Issuer that the relevant Put Option Note will, following delivery of the Put Notice, be held to its order or under its control.

**With respect to the First Put Date**, the following is applicable:

On the Quarterly Payment Date prior to the First Put Date, the Issuer will make the following notifications: the Put Option Noteholders will be notified by an advertisement in the English language in the Euronext Amsterdam Daily Official List ("*Officiële Prijscourant*") and in at least one daily newspaper of wide circulation in the Netherlands and London. In addition, the common depository will be notified for communication to the relevant accountholders holding interests in the Global Notes representing such Put Option Notes and to Euronext Amsterdam (hereinafter referred to as the "**Notifications**").

The Notifications will announce the upcoming First Put Date and that any Put Option Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on such Put Date.

Twenty days before the First Put Date, Notifications will be made which set out (a) the Extension Margins; (b) the right to exercise the Put Option; (c) the assumed remaining average life of each Class of Put Option Notes; and (d) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to the First Put Date (unless such day is not a business day, in which case the immediately preceding day).

The Put Option Notes in respect of which the Put Option is not exercised, will not be redeemed on the First Put Date. The Put Option Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the First Put Date.

Five days before the First Put Date, the Issuer will make the Notifications setting out which Put Option Notes will be redeemed in full, subject to Condition of the Notes 9, and the confirmation of S&P, Moody's and Fitch of the then current ratings assigned to the Put Option Notes as of the First Put Date after taking into account the redemption of the Put Option Notes in respect of which the Put Option has been exercised. In case any of S&P, Moody's and Fitch is not able to confirm such ratings assigned to the Put Option Notes, all Notes will be redeemed in full, subject to Condition of the Notes 9, on the First Put Date.

Any Put Notice given by any Put Option Noteholders shall be irrevocable, except where prior to the First Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Put Option Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition of the Notes 10.

On the First Put Date, the Put Option Notes in respect of which the Put Option has been exercised will be redeemed in full, subject to Condition of the Notes 9, using the proceeds from the Servicing Advance.

**With respect to each Put Date after the First Put Date**, the following is applicable:

Twenty days before each Put Date, Notifications will be made which set out (a) the right to exercise the Put Option and (b) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to such Put Date (unless such day is not a business day, in which case the immediately preceding day):

The Put Option Notes in respect of which the Put Option is not exercised, will not be redeemed on the Put Date. The Put Option Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the relevant Put Date.

Five days before the relevant Put Date, the Issuer will make the Notifications setting out which Put Option Notes will be redeemed in full, subject to Condition of the Notes 9, and the confirmation of S&P, Moody's and Fitch of the then current ratings assigned to the Put Option Notes as of such Put Date after taking into account the redemption of the Put Option Notes in respect of which the Put Option has been exercised. In case any of S&P, Moody's and Fitch is not able to confirm such ratings assigned to the Put Option Notes, all Notes will be redeemed in full, subject to Condition of the Notes 9, on the relevant Put Date.

Any Put Notice given by a holder of any Put Option Note shall be irrevocable, except where prior to the relevant Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Put Option Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Put Option Note forthwith due and payable pursuant to Condition of the Notes 10.

On the relevant Put Date, the Put Option Notes in respect of which the Put Option has been exercised will be redeemed in full, subject to Condition of the Notes 9, using the proceeds from the Servicing Advance.

**With respect to any Put Date**, the following is applicable:

If the Issuer does not receive sufficient amounts from the MPT Provider (or another party) in the form of the Servicing Advance to fully redeem the Put Option Notes on any Put Date on which the Put Option has been exercised, principal payments on the Put Option Notes in respect of which the Put Option has been exercised will be materially adversely affected on such dates. It will not constitute an Event of Default under the Conditions of the Put Option Notes if the Issuer does not redeem on the relevant Put Date the Notes in respect of which the Put Option has been exercised. In such case on each Put Date and thereafter payments on the Notes will be made in accordance with Conditions of the Notes 4, 6 and 9 as if the Put Option had not been exercised. It should be noted that the Subordinated Class E Noteholders do not have the right to exercise the Put Option, although as of the First Put Date the relevant Extension Margin to the Subordinated Class E Notes will apply.

Servicing Advance:

The MPT Provider will undertake in the Issuer Services Agreement to grant the Issuer a Servicing Advance up to an amount equal to the aggregate Principal Amount Outstanding of the Put Option Notes, less the Principal Deficiency, if any, to enable the Issuer on a Put Date to redeem the Put Option Notes in respect of which the Put Option is exercised or all Notes if the then current ratings assigned to the Put Option Notes are not confirmed by any of S&P, Moody's and Fitch as of

the relevant Put Date (see *Special Considerations*). The Issuer will give the MPT Provider (or any other party providing the Servicing Advance) the right (to be exercised at its option and in its sole discretion) to acquire the Excess Mortgage Receivables at a price equal to their Outstanding Principal Amounts, plus accrued but unpaid interest up to the relevant Quarterly Payment Date. At the request of the relevant Hedging Counterparty, the Issuer will stipulate as a condition for the sale of the Excess Mortgage Receivables that the relevant part of the relevant Hedging Agreement will be novated to the purchaser of the Excess Mortgage Receivables. The proceeds of such sale will be applied towards the repayment of the Servicing Advance by way of set off.

Determination of Extension Margins:

The Extension Margins applicable as of the First Put Date in respect of each Class of Put Option Notes and the Subordinated Class E Notes will be set as follows:

The Extension Margin Agent will select a panel of five of the then leading European securitisation underwriters. Such underwriters will be requested by the Extension Margin Agent to give quotes for the Extension Margins based on the following assumptions:

- (a) no Put Option Noteholder exercises its Put Option;
- (b) the Put Option Notes will have a remaining assumed average life (on a 30/360 basis) based on a conditional prepayment rate of 7 per cent. applied to the then outstanding Mortgage Receivables;
- (c) the interest rate applicable to a Mortgage Loan will not change on an interest reset date;
- (d) the Mortgage Receivables are not prepaid on an interest reset date (other than what is effected by the assumed CPR rate);
- (e) no delinquencies and no defaults in respect of the Mortgage Receivables will occur;
- (f) the Conditions of the Notes remain the same;
- (g) the Clean-Up Call Option will be exercised; and
- (h) the then current ratings assigned to the Notes will be confirmed on the First Put Date by each Rating Agency which has assigned a rating to such Notes.

The Extension Margins will be equal to the arithmetic mean (rounded, if necessary, to the nearest basis point) of such five quotes of such underwriters as determined by the Extension Margin Agent. The Extension Margins shall be notified to the Noteholders on the 20th day prior to the First Put Date in accordance with Condition of the Notes 6(e)(iv)(b).

After the determination of the Extension Margins as of the First Put Date the Extension Margins will not be changed.

Clean-Up Call Option:

If on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Put Option Notes is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes on the Closing Date, the Issuer may (but is not obliged to) exercise its Clean-Up Call Option. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to repurchase and accept re-assignment of the then outstanding Mortgage Receivables from the Issuer at their respective Outstanding Principal Amounts, plus accrued but unpaid interest, in case the Issuer exercises the Clean-Up Call Option.

Average Life:

The estimated average life (on a 30/360 basis) of the Notes from the Closing Date up to the First Put Date based on the assumptions that (a) the Closing Date is 8th December 2004; (b) a conditional prepayment rate ("**CPR**") of 7 per cent. is effected; (c) the interest rate applicable to a

Mortgage Loan will not change on an interest reset date; (d) the Mortgage Receivables are not prepaid on an interest reset date (other than what is effected by the assumed CPR rate); (e) no delinquencies and no defaults in respect of the Mortgage Receivables will occur and (f) the New Mortgage Receivables to be purchased during the Pre-funding Period will meet the assumptions set forth in Annex B hereto, will be as follows:

- (i) the Senior Class A Notes 5.56 years;
- (ii) the Mezzanine Class B Notes 7.13 years;
- (iii) the Junior Class C Notes 7.13 years; and
- (iv) the Subordinated Class D Notes 7.13 years.

The expected amortisation profile of the Notes (based on the assumptions stated above) is set out in Annex B hereto.

Final Maturity Date:

Unless previously redeemed, the Issuer will, subject to the Conditions of the Notes, redeem the Notes at their respective Principal Amount Outstanding on the Final Maturity Date.

Mandatory Redemption:

On the Quarterly Payment Date falling in January 2005 and each Quarterly Payment Date thereafter, provided that the Security Trustee has not given an Enforcement Notice to the Issuer in accordance with Condition of the Notes 10, the Issuer will be obliged to apply the Notes Redemption Available Amount to redeem in whole or in part the Notes at their respective Principal Amount Outstanding, subject to Condition of the Notes 9:

- (i) before the Target Amortisation Date and on or after the Target Amortisation Date in case a Target Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
    - (a) *first*, the Senior Class A Notes, until fully redeemed, and thereafter
    - (b) *second*, the Mezzanine Class B Notes, until fully redeemed, and thereafter
    - (c) *third*, the Junior Class C Notes, until fully redeemed, and thereafter
    - (d) *fourth*, the Subordinated Class D Notes, until fully redeemed;
- and
- (ii) on or after the Target Amortisation Date, unless a Target Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
    - (a) *first*, the Senior Class A Notes by applying the Class A Notes Redemption Available Amount (as defined in Condition of the Notes 6(c));
    - (b) *second*, the Mezzanine Class B Notes by applying the Class B Notes Redemption Available Amount (as defined in Condition of the Notes 6(c));
    - (c) *third*, the Junior Class C Notes by applying the Class C Notes Redemption Available Amount (as defined in Condition of the Notes 6(c)); and
    - (d) *fourth*, the Subordinated Class D Notes by applying the Class D Notes Redemption Available Amount (as defined in Condition of the Notes 6(c)).

The Subordinated Class E Notes will be subject to mandatory (partial) redemption as of the First Put Date and each Put Date thereafter in the limited circumstances as described in the Conditions of the Notes. For

the amount available for redemption of the Subordinated Class E Notes on a Put Date, reference is made to *Credit Structure – Reserve Account and Terms and Conditions of the Notes (6)(f)*.

Method of Payment:

For so long as the Notes are represented by a Global Note, payments of principal and interest will be made by giro transfer in euro to a common depositary for Euroclear and Clearstream, Luxembourg for the credit of the respective accounts of the Noteholders.

Withholding tax:

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 is 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 and will have no obligation to pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts will be payable in respect of any Note or Coupon presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such directive. See further paragraph *European Union Directive on taxation of savings*.

Redemption for tax reasons:

In the event of certain tax changes affecting any Class(es) of 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), the Issuer may (but is not obliged to) redeem all (but not some only) of the Notes at their respective Principal Amount Outstanding together with accrued but unpaid interest thereon up to but excluding the date of such redemption, subject to and in accordance with the Conditions of the Notes. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

Use of proceeds:

The Issuer will use part of the net proceeds from the issue of the Put Option Notes less the Pre-funded Amount to pay to the Seller part of the Initial Purchase Price for the Mortgage Receivables pursuant to the provisions of the Mortgage Receivables Purchase Agreement (see *Mortgage Receivables Purchase Agreement and Use of Proceeds*). However, the Construction Amount will be withheld by the Issuer and be deposited on the Construction Account (see *Mortgage Receivables Purchase Agreement*).

The net proceeds from the issue of the Subordinated Class E Notes will be deposited in the Reserve Account.

The Pre-funded Amount will be deposited in the Pre-funding Account and will be available for the purchase of New Mortgage Receivables on any Pre-funding Purchase Date during the Pre-funding Period (see *Purchase of New Mortgage Receivables*).

## **MORTGAGE RECEIVABLES:**

- Mortgage Receivables: Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and accept on the Closing Date the assignment of the Mortgage Receivables as of the first day of November 2004, which Mortgage Receivables have the characteristics described in *Description of the Mortgage Loans*.
- Purchase of New Mortgage Receivables: The Mortgage Receivables Purchase Agreement will provide that the Issuer will on a monthly basis apply the Purchase Available Amount to purchase from the Seller New Mortgage Receivables subject to the fulfillment of certain conditions and to the extent offered by the Seller. Such conditions include, *inter alia*, the requirement that the New Mortgage Receivables (a) meet the criteria set forth in the Mortgage Receivables Purchase Agreement and (b) are encumbered with a first ranking right of pledge in favour of the Security Trustee (see *Mortgage Receivables Purchase Agreement*).
- Pre-funded Amount: The Pre-funded Amount comprises of euro 183,239,617 from the net proceeds of the Put Option Notes. The Issuer will apply the Pre-funded Amount towards the purchase of New Mortgage Receivables on any Pre-funding Purchase Date during the Pre-funding Period. If upon expiration of the Pre-funding Period any part of the Pre-funded Amount remains, such amount will be used for redemption of the Put Option Notes in accordance with the Conditions of the Notes on the Quarterly Payment Date falling in April 2005.
- Repurchase of Mortgage Receivables: Under the Mortgage Receivables Purchase Agreement, the Seller will be obliged to repurchase and accept re-assignment of a Mortgage Receivable:
- (i) on the Mortgage Payment Date immediately following the expiration of the relevant remedy period, if any, in case any of the representations and warranties given by the Seller (a) in respect of such Mortgage Receivable or its related Mortgage Loan, including the representation and warranty that such Mortgage Receivable or its related Mortgage Loan meets certain Mortgage Loans Criteria on the Closing Date or (b) in respect of a New Mortgage Receivable or its related Mortgage Loan or a Further Advance Receivable or its related Further Advance, including the representation and warranty that the New Mortgage Receivable or its related Mortgage Loan or the Further Advance Receivable or its related Further Advance, meets certain Mortgage Loans Criteria on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, is untrue or incorrect in any material respect; or
  - (ii) on the Mortgage Payment Date immediately following the decision of the Seller to amend the terms of the relevant Mortgage Loan upon the request of a Borrower as a result of which such Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement or which, as a result, changes the maturity date of the loan, the interest rate (other than as a result of an interest reset) or monthly payment amount (other than as a result of an interest reset); or
  - (iii) on the Mortgage Payment Date immediately following the date on which a Further Advance is granted in accordance with the Mortgage Conditions of a Mortgage Loan to a Borrower and the Mortgage Loan to which such Mortgage Receivable relates together with the Further Advance to which such Further Advance Receivable relates, no longer meets the Mortgage Loans Criteria; or
  - (iv) on the Mortgage Payment Date immediately following the failure by the Borrower to pay the first interest instalment under a Mortgage Loan or a Further Advance; or

- (v) on the Mortgage Payment Date immediately following the date on which the Seller has obtained any Other Claim(s) vis-à-vis any Borrower.

In case of a repurchase of Mortgage Receivables, the Seller shall repurchase and accept re-assignment of the Mortgage Receivable for a price equal to the relevant Outstanding Principal Amount, increased with accrued but unpaid interest thereon up to the relevant Mortgage Payment Date.

The Seller may, at its option and its sole discretion, repurchase and accept re-assignment of any Delinquent Mortgage Receivable on the Mortgage Payment Dates falling in the Quarterly Calculation Period immediately following the Quarterly Calculation Period in which the relevant Mortgage Receivable, due to a delinquency under its associated Mortgage Loan, has become a Delinquent Mortgage Receivable. For the avoidance of doubt, after such period, a Delinquent Mortgage Receivable may not be repurchased by the Seller.

Mortgage Loans:

The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from loans secured by a first-ranking mortgage right or, in case of Mortgage Loans secured on the same mortgaged property, a first-ranking and sequential lower ranking mortgage rights on the relevant Mortgaged Assets. If a Mortgage Loan consists of one or more loan parts ("*leningdelen*"), the Seller will sell and assign and the Issuer will purchase and accept assignment of all, but not some, loan parts of such Mortgage Loan at the Closing Date. See further *Description of the Mortgage Loans*.

All Mortgage Receivables meet or, in case of the New Mortgage Receivables, such New Mortgage Receivables will meet the relevant criteria set forth in the Mortgage Receivables Purchase Agreement and, will be selected prior to or on the Closing Date or, in case of New Mortgage Receivables, the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date (see *Mortgage Receivables Purchase Agreement*).

Pool of Mortgage Loans:

The Mortgage Loans or the loan parts comprising a Mortgage Loan selected prior to the Closing Date consist of:

- (a) Annuity Mortgage Loans;
- (b) Interest-only Mortgage Loans;
- (c) Investment Mortgage Loans;
- (d) Life Mortgage Loans; and
- (e) Savings Mortgage Loans.

Annuity Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Annuity Mortgage Loans ("*annuïteiten hypotheek*"). Under the Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the Mortgage Loan will be fully redeemed at the end of its term.

In respect of Annuity Mortgage Loans a separate Risk Insurance Policy with any of the Life Insurance Companies is required if and to the extent (i) the Borrower is older than 45 years and (ii) the Outstanding Principal Amount of the Mortgage Loan exceeds an amount equal to 75 per cent. of the Foreclosure Value of the Mortgaged Assets. The Risk Insurance Policy is required to cover at least the difference between 75 per cent. of the Foreclosure Value and the Outstanding Principal Amount at origination.

Interest-only Mortgage Loans:	<p>A portion of the Mortgage Loans (or parts thereof) will be in the form of Interest-only Mortgage Loans (“<i>aflossingsvrije hypotheken</i>”). Under the Interest-only Mortgage Loan no principal towards redemption is paid until maturity. Interest-only Mortgage Loans may be granted up to an amount equal to 90 per cent. of the Foreclosure Value of the Mortgaged Assets, provided that such Interest-only Mortgage Loan has the benefit of a Risk Insurance Policy for that part of the Interest-only Mortgage Loan which is in excess of 75 per cent. of the Foreclosure Value of the Mortgaged Asset</p>
Investment Mortgage Loans:	<p>A portion of the Mortgage Loans (or parts thereof) will be in the form of Investment Mortgage Loans (“<i>beleggingshypotheken</i>”).</p> <p>Under an Investment Mortgage Loan the Borrower does not pay any principal towards redemption prior to maturity, but undertakes to invest, whether or not on an instalment basis or up front, an agreed minimum amount in certain investment funds. The Borrower may invest in investment funds managed by Allianz, Optimix N.V., Holland Beleggingsgroep B.V., Insinger de Beaufort, IVM Vermogensbeheer, Noord-Nederlands Effectenkantoor or Borghals Investment Management, as the case may be. The rights under these investments have been pledged to the Seller as security for repayment of the Investment Mortgage Loan. See <i>Special Considerations and Description of the Mortgage Loans</i>. It is the intention that the Investment Mortgage Loans will be fully or partially repaid by means of the proceeds of these investments. The redemption value of the investments and return on investments are not guaranteed.</p> <p>In respect of Investment Mortgage Loans a separate Risk Insurance Policy with any of the Life Insurance Companies is required if and to the extent (i) the Borrower is older than 45 years and (ii) the Outstanding Principal Amount of the Mortgage Loan exceeds an amount equal to 75 per cent. of the Foreclosure Value of the Mortgaged Assets. The Risk Insurance Policy is required to cover at least the difference between 75 per cent. of the Foreclosure Value and the Outstanding Principal Amount at origination.</p>
Life Mortgage Loans:	<p>A portion of the Mortgage Loans (or parts thereof) will be in the form of Life Mortgage Loans (“<i>levenhypotheken</i>”), which have the benefit of Life Insurance Policies, taken out by Borrowers with the Life Insurance Companies. Under a Life Mortgage Loan, no principal towards redemption is paid until maturity. Life Insurance Policies are offered by the Life Insurance Companies in several alternatives. The Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out, (ii) the Unit-Linked Alternative or (iii) in the case of Allianz or Universal, a switch policy, whereby the Borrower has the choice between (a) the Unit-Linked Alternative, (b) the Savings Alternative or (c) a combination of option (a) and (b).</p> <p>Under a switch policy, switching between option (a) and (b) above can be effected at the Borrower’s option on the date the interest on the relevant Mortgage Loan is reset in accordance with the Mortgage Conditions. Some of the Life Mortgage Loans are also referred to herein as Universal Life. See <i>Special Considerations and Description of the Mortgage Loans</i> and for a discussion of the Savings Alternative, see <i>Savings Sub-Participation Agreement</i>.</p> <p>Failure by the Borrower to pay the premium under the Life Insurance Policy will result in that Borrower’s Life Mortgage Loan becoming due and payable.</p>



Savings Mortgage Loans: A portion of the Mortgage Loans will be in the form of Savings Mortgage Loans (“*spaarhypotheken*”), which have the benefit of Savings Insurance Policies, taken out by the Borrowers with any of the Savings Insurance Companies.

Under a Savings Mortgage Loan the Borrower does not pay principal towards redemption prior to maturity. Instead, the Borrower/insured pays a Savings Premium. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. The Savings Insurance Companies will agree to use the amount of the Savings Premium (and the interest received on the Savings Participation) to acquire a Savings Participation in the relevant Savings Mortgage Receivable (see *Savings Sub-Participation Agreement*).

Savings Sub-Participation Agreement: On the Closing Date, the Issuer will enter into the Savings Sub-Participation Agreement with the Savings Insurance Companies under which each of the Savings Insurance Companies will acquire participations in the relevant Savings Mortgage Receivables and/or Life Mortgage Receivables with a Savings Element (if any) equal to the Savings Premia paid by the relevant Borrower to the Savings Insurance Company in respect of a Savings Insurance Policy and/or Life Insurance Policy with the Savings Alternative with interest accrued on such Savings Premia.

Under the Savings Sub-Participation Agreement the Savings Insurance Companies will undertake to pay to the Issuer all amounts received as Savings Premium on the Savings Insurance Policies and the Life Insurance Policies with the Savings Alternative. In return, the Savings Insurance Companies are entitled to receive the Savings Participation Redemption Available Amount from the Issuer as far as it relates to the relevant Savings Participation acquired by it. The Issuer will apply all amounts received from the Savings Insurance Companies towards redemption of the Notes. See *Credit Structure*.

The amount of each Savings Participation with respect to a Savings Mortgage Loan and/or Life Mortgage Loan with a Savings Element, consists of the initial participation at the Closing Date or, in case of the purchase of a New Mortgage Receivable to which a Savings Insurance Policy and/or Life Insurance Policy with a Savings Alternative is connected, on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date (which is equal to the sum of all amounts paid up to the first day of the month wherein the Closing Date or the Pre-funding Purchase Date or, as the case may be, the Mortgage Payment Date falls, to the Savings Insurance Companies as Savings Premium plus accrued interest) increased on a monthly basis with the sum of (i) the Savings Premium received by the Savings Insurance Companies and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Savings Participation in the relevant Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element, of the interest due by the Borrower and received by the Issuer in respect of such Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element. See *Sub-Participation Agreements*.

Pledges over Insurance Policies and Investment Accounts relating to Investment Mortgage Loans: The Seller has the benefit of pledges over the Borrowers’ rights under the Investment Accounts and the Insurance Policies. In addition, the Seller has been appointed as beneficiary under the Insurance Policies. The effectiveness of the pledge, the appointment as beneficiary and the benefit thereof to the Issuer and the Security Trustee are discussed in *Special Considerations – Insurance Policies and Investment Mortgage Loans*.

Interest under the Mortgage Loans:	The majority of the Mortgage Loans carry a fixed rate of interest for a certain pre-agreed interest period (" <i>rente vastperiode</i> "). At the end of an interest period, the interest rate will be reset, unless the Borrower redeems the Mortgage Loan. An additional margin may be imposed on the Mortgage Loans which exceed certain loan to value ratios or payment to income ratios. In general, fixed rate reset terms can be set for periods of 1, 5, 6, 7, 10, 15 and 20 years. In addition, the Mortgage Loans may carry a variable interest rate which is set on a periodic basis with changes effective from the next monthly payment date.
Further Advances:	If and to the extent the Seller agrees with a Borrower to grant a Further Advance under a Mortgage Loan and the Issuer purchases and accepts assignment of the Further Advance Receivable, then the Seller shall participate in the relevant Mortgage Receivable for an amount equal to the Further Advance pursuant to and in accordance with the Further Advance Sub-Participation Agreement (see <i>Further Advance Sub-Participation Agreement</i> ). If the Issuer does not purchase and accept assignment of a Further Advance Receivable, the relevant Mortgage Receivable will be repurchased by the Seller on the immediately succeeding Mortgage Payment Date (see <i>Summary – Repurchase of Mortgage Receivables</i> above). The consideration for such participation will be equal to and set off against the Issuer's obligation to pay the initial purchase price in respect of the Further Advance Receivable.
Further Advance Sub-Participation Agreement:	On the Closing Date, the Issuer will enter into the Further Advance Sub-Participation Agreement with the Further Advance Participant under which the Further Advance Participant undertakes to acquire participations in the Further Advance Receivables (if any). The amount of a Further Advance Participation will be equal to the amount of the relevant Further Advance. Such Further Advance Participation entitles the Further Advance Participant to receive the Further Advance Participation Redemption Available Amount (as defined in <i>Sub-Participation Agreements</i> below) from the Issuer.
Construction Amounts:	<p>Pursuant to the Mortgage Conditions, the Borrowers have the right to request that a part of the Mortgage Loan will be withheld and will be applied towards construction of or improvements to the mortgaged property. Such Construction Amount will only be paid to the Borrower in case certain conditions are met. The aggregate amount of the Construction Amounts as of the first day of November 2004 was euro 13,122,719. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to the aggregate Construction Amounts as of the first day of November 2004. Such amount will be deposited in the Construction Account. On each Quarterly Payment Date the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the amount by which the Construction Amounts have been reduced during the preceding Quarterly Calculation Period and pay such amount to the Seller.</p> <p>Pursuant to the Mortgage Conditions, Construction Amounts (a) in respect of newly built property have to be paid out within 36 months and (b) in respect of remodeling of the property have to be paid out within 18 months. Interest on the Construction Amount in respect of (a) above will only accrue up to (and including) the 18th month and interest on the Construction Amount in respect of (b) above will only accrue up to (and including) the 9th month. After such period, any remaining Construction Amounts will either (i) be paid out by the Seller to the relevant Borrower and consequently the remaining part of the Initial Purchase Price will be paid by the Issuer to the Seller or (ii) if the Construction Amount exceeds euro 2,250, be set-off against the Mortgage Loan, up to the amount of the Construction Amount, in which case the Issuer shall have no further</p>

obligation towards the Seller to pay the remaining part of the Initial Purchase Price and any balance standing to the credit of the Construction Account will be used for redemption of the Notes in accordance with the Conditions of the Notes.

Security for the Notes:

The Notes will be secured (a) by a first ranking right of pledge by the Issuer to the Security Trustee over (i) the Mortgage Receivables, including all rights ancillary thereto and (ii) the Beneficiary Rights; and (b) by a first ranking right of pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Hedging Agreements, the Issuer Services Agreement, the Liquidity Facility Agreement, the GIC, the Savings Sub-Participation Agreement, the Further Advance Sub-Participation Agreement and in respect of the Transaction Accounts.

Furthermore, the Seller shall grant a first ranking right of pledge on the balance standing to the credit of the Seller Collection Account in favour of the Issuer and the Previous Transactions SPVs jointly, which shall be repledged to the Security Trustee and the Previous Transactions Security Trustees jointly under the condition that future issuers (and any security trustees) in securitisation transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by the Seller will also have the benefit of such right of pledge. Such right of pledge will be notified to ABN AMRO, the bank where the Seller Collection Account is maintained. See *Special Considerations – Seller Account Pledge and Description of Security*.

The amount payable to the Noteholders and the other Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, broadly, will consist of amounts recovered by the Security Trustee on the Mortgage Receivables and amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement, the Trust Deed and the Parallel Debt Agreement. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement, except for payments to the Savings Insurance Companies and the Further Advance Participant, which will be made in accordance with the Trust Deed. See further *Special Considerations* and for a more detailed description see *Description of Security* below.

#### **CASH FLOW STRUCTURE:**

Liquidity Facility:

On the Closing Date, the Issuer, the Security Trustee and the Liquidity Facility Provider will enter into a maximum 364 day term Liquidity Facility Agreement under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts.

GIC:

The Issuer, the Security Trustee and the GIC Provider will enter into the GIC, under which the GIC Provider will agree to pay guaranteed rates of interest determined by reference to Euribor on the balance standing from time to time to the credit of the relevant Transaction Accounts.

Collection Account:

The Issuer will maintain with the GIC Provider the Collection Account to which, *inter alia*, all amounts of interest, prepayment penalties and principal and other collections received under the Mortgage Receivables Purchase Agreement or, as the case may be, the MPT Provider in accordance with the Issuer Services Agreement.

Payments may be made from the Collection Account other than on a Quarterly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business; (ii) amounts due under the Savings Sub-Participation Agreement and the Further Advance Sub-

Participation Agreement; (iii) the Initial Purchase Price of Further Advance Receivables and/or New Mortgage Receivables and (iv) the difference between the Scheduled Amount and the Actual Amount, if any.

**Pre-funded Account:** The Issuer will maintain with the GIC Provider the Pre-funded Account to which on the Closing Date the Pre-funded Amount will be credited. The Pre-funded Account will be debited during the Pre-funding Period for payments to the Seller of the initial purchase price in respect of New Receivables. Upon the expiration of the Pre-funding Period, any remaining amount will be transferred to the Collection Account and applied towards redemption of the Put Option Notes on the immediately succeeding Quarterly Payment Date.

**Construction Account:** The Issuer will maintain with the GIC Provider the Construction Account to which on the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited. The Construction Account will be debited for (i) payments to the Seller upon Construction Amounts being paid out by the Seller to or on behalf of the Borrowers; and (ii) for transfer to the Collection Account in case the Issuer has no obligation to pay any further part of the Initial Purchase Price (as described in *Construction Amounts* above).

**Reserve Account:** The net proceeds of the Subordinated Class E Notes will be credited to the Reserve Account maintained with the GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet its payment obligations under items (a) up to and including (n) of the Interest Priority of Payments in the event of a shortfall of the Notes Interest Available Amount on a Quarterly Calculation Date. If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items (a) up to and including (n) of the Interest Priority of Payments, such excess amount will be used to deposit in or, as the case may be, replenish the Reserve Account, by crediting such amount to the Reserve Account up to the Reserve Account Target Level.

The Reserve Account Target Level means, on any Quarterly Calculation Date, an amount equal to:

- (i) 0.5 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes at the Closing Date, or
- (ii) 1.35 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes at the Closing Date, if on such Quarterly Calculation Date the quotient of the aggregate Outstanding Principal Amount in respect of the Delinquent Mortgage Receivables divided by the aggregate Outstanding Principal Amount on such date exceeds 2.0 per cent., or
- (iii) zero, if on the immediately succeeding Quarterly Payment Date the Put Option Notes will be redeemed in full.

For the amounts to be drawn from the Reserve Account which shall be available for redemption of the Subordinated Class E Notes on any Put Date, reference is made to *Credit Structure – Reserve Account and Terms and Conditions of the Notes (6)(f)*.

**Seller Collection Account:** All payments made by the Borrowers will be paid to an account of the Seller. On the first business day of each month, the Scheduled Amount is paid into the Collection Account. See *Credit Structure*.

## Hedging Agreements:

The majority of the Mortgage Loans will carry fixed rates of interest and others will carry floating rates of interest while the Notes will carry floating rates of interest. The Issuer will enter into one or more Hedging Agreements in order to hedge against interest rate exposure arising from its floating rate payment obligations under the Notes. Under the Swap Agreement, the Issuer agrees to pay to the Swap Counterparty an amount calculated by reference to a specified fixed swap rate multiplied by the Notional Amount, in respect of each Floating Rate Interest Period. The Swap Counterparty will in respect of the same Floating Rate Interest Period pay to the Issuer an amount calculated by reference to Euribor, with a designated maturity of 3 months, multiplied by the Notional Amount. If the amortisation rate of the Notional Amount varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the aggregate Notional Adjustment Payment due but unpaid by the Issuer to the Swap Counterparty, the difference will form part of the Swap Subordinated Amount to be paid under item (q) of the Interest Priority of Payments. The Mortgage Loans carrying a variable rate of interest will not be hedged.

On each Quarterly Payment Date, the Issuer will enter into a Reset Swap Agreement to hedge against potential interest rate exposure arising from Reset Mortgage Receivables on which the rate of interest has been reset in the Quarterly Calculation Period preceding such Quarterly Payment Date. If the amortisation rate of the Notional Amount varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the aggregate Notional Adjustment Payment due but unpaid by the Issuer to the Swap Counterparty or Hedging Counterparty, the difference will form part of the Swap Subordinated Amount to be paid under item (q) of the Interest Priority of Payments.

Each Hedging Counterparty will agree that the fixed swap rate to be paid by the Issuer in respect of a Reset Swap Agreement will be such that an excess spread of 0.35 per cent. (or, as the case may be, 0.20 per cent. after the First Put Date) of the aggregate Outstanding Principal Amount of the relevant Reset Mortgage Receivables will remain after payment of the applicable part of items (a), (b), (c), (d), (e), (f), (h), (j) and (l) of the Priority of Payments in respect of interest on the first Quarterly Payment Date after the effective date of such Reset Swap Agreement. The Swap Counterparty will on the Closing Date agree to enter into one or more Reset Swap Agreements.

The Swap Counterparty has the right on any Put Date to reprice the Hedging Agreements to which it is a party, but such right may only be exercised once (and not on multiple Put Dates). If such repricing results in an increase in the fixed swap rates of more than 0.15 per cent., the excess will form part of the Swap Subordinated Amount.

Furthermore, in the event that on any Quarterly Payment Date there is more than one Hedging Counterparty and the Issuer has insufficient funds available to it to satisfy its obligations in respect of all amounts due under each of the Hedging Agreements, the available amount (if any) shall be paid *pro rata* to the amounts due to each Hedging Counterparty. To the extent that any amount other than a Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then failure to pay such shortfall constitutes a "Failure to Pay" under the relevant Hedging Agreement which shall entitle that Hedging Counterparty to terminate the relevant Hedging Agreement. To the

extent that any Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then such shortfall shall be paid by the Issuer to the relevant Hedging Counterparty on the next Quarterly Payment Date, together with interest from the Quarterly Payment Date on which it was due at the default rate agreed in the relevant Hedging Agreement.

Finally, the Issuer, the MPT Provider and each Hedging Counterparty will, subject to certain conditions, enter into a novation agreement with respect to the Hedging Agreements upon (i) the redemption in full of all Classes of Notes, subject to Condition of the Notes 9, and (ii) the purchase and acceptance of the assignment of Excess Mortgage Receivables by the MPT Provider (or another party).

**OTHER:**

Issuer Services Agreement:

Under the Issuer Services Agreement (i) the MPT Provider will agree to provide certain services as agreed in the Issuer Services Agreement in relation to the Mortgage Receivables on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Receivables, (ii) the MPT Provider will agree to the implementation of arrears procedures including, if applicable, the enforcement of Mortgaged Assets and the Borrower Pledges and (iii) the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer on a day- to-day basis, including, without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions of the Notes.

Management Agreements:

Each of the Issuer, Stichting Holding and the Security Trustee will enter into a Management Agreement with the relevant Director, whereupon the relevant Director will undertake to act as director of the Issuer, Stichting Holding or the Security Trustee, respectively, and to perform certain services in connection therewith.

Listing:

Application has been made for the Put Option Notes to be listed on Euronext Amsterdam. The Subordinated Classe E Notes will not be listed.

Rating:

It is a condition precedent to issuance that (i) the Senior Class A Notes, on issue, will be assigned an AAA rating by S&P, an Aaa rating by Moody's and an AAA rating by Fitch, (ii) the Mezzanine Class B Notes, on issue, will be assigned, an A rating by S&P, an Aa3 rating by Moody's and an A rating by Fitch, (iii) the Junior Class C Notes, on issue, will be assigned, a BBB+ rating by S&P, a BBB+ rating by Fitch and a Baa1 rating by Moody's, (iv) the Subordinated Class D Notes, on issue, will be assigned a BBB rating by S&P and a BBB rating by Fitch and (v) the Subordinated Class E Notes, on issue, will be assigned a BB+ rating by S&P and a BB+ rating by Fitch.

The ratings of the Notes do not take into account the (timely) payment of the Subordinated Extension Interest Part. It is a condition that, as of the relevant Put Date, S&P, Moody's and Fitch confirm the then current ratings assigned to the Put Option Notes. In the absence of such confirmations, the Notes will be redeemed in full subject to Condition of the Notes 9.

Clearing:

Euroclear and Clearstream, Luxembourg.

Governing Law:

The Notes will be governed by and construed in accordance with the laws of the Netherlands.

## SPECIAL CONSIDERATIONS

*The following is a summary of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. It is not intended to be exhaustive, and prospective Noteholders should read the detailed information set out elsewhere in this Offering Circular.*

### **Liabilities under the Notes**

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Seller, the MPT Provider, the Issuer Administrator, the Managers, the Liquidity Facility Provider, the Insurance Companies, the GIC Provider, the Swap Counterparty, any Hedging Counterparty, the Paying Agent, the Extension Margin Agent, the Reference Agent, the Further Advance Participant, the Directors, the Listing Agent or the Security Trustee. Furthermore, none of the Seller, the MPT Provider, the Issuer Administrator, the Managers, the Liquidity Facility Provider, the Insurance Companies, the GIC Provider, the Swap Counterparty, any Hedging Counterparty, the Paying Agent, the Extension Margin Agent, the Reference Agent, the Further Advance Participant, the Directors, the Listing Agent, the Security Trustee or any other entity or person acting in whatever capacity will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

### **Ability to meet payment obligations**

The ability of the Issuer to meet its obligations to pay principal of and interest on the Notes in full will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds resulting from the repurchase and re-assignment by the Seller of any Mortgage Receivables as provided in the Mortgage Receivables Purchase Agreement, the receipt by it of payments under the Hedging Agreements and the Sub-Participation Agreements and the receipt by it of interest in respect of the balances standing to the credit of the Transaction Accounts (other than the Construction Account). See further *Credit Structure*. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account and the amount available to be drawn under the Liquidity Facility for certain of its payment obligations. Finally, the Issuer will have available a Servicing Advance, which will enable the Issuer to redeem the Put Option Notes on a Put Date.

By acquiring the Notes, the Noteholder shall be deemed to have knowledge of, to accept and to be bound by the Conditions. The Issuer and the Paying Agent will not have any responsibility for the proper performance by Euroclear and/or Clearstream, Luxembourg or its participants of their obligations under their respective rules, operating procedures and calculation methods.

### **Parallel debt**

Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties under or in connection with the Relevant Documents to which the Issuer and such Secured Parties are a party. The Issuer has been advised that such a parallel debt creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements.

### **Transfer of Legal Title to Mortgage Receivables**

As of 1 October 2004, under Netherlands law, assignment of the legal title of rights and receivables, such as the Mortgage Receivables, can be effectuated by means of a notarial deed or a registered deed of assignment, without notification of the assignment to the debtors being required. The legal title of the Mortgage Receivables will be transferred by the Seller to the Issuer by means of registration of the deed of assignment. The Mortgage Receivables Purchase Agreement will provide that such transfer of legal title will not be notified by the Seller or, as the case may be, the Issuer to the Borrowers except if any of the Assignment Notification Events occurs.

Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers under the Mortgage Receivables can only validly make payments ('*bevrijdend betalen*') to the Seller. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay onwards to the Issuer any amounts received in respect of the Mortgage Receivables. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments.

Payments made by Borrowers to the Seller prior to notification but after bankruptcy or suspension of payments in respect of the Seller having been declared will be part of the Seller's bankruptcy estate. However, the Issuer will have a non-preferred estate claim ('*concurrente boedelschuld*') in respect of any such amounts, which means that the Issuer has the right to receive such amounts by preference after deduction of the general bankruptcy costs ('*algemene faillissementskosten*').

## **Security Rights**

The Mortgage Receivables will be secured by Bank Mortgages. Under Netherlands law it is uncertain whether, in the event of assignment of a receivable secured by a Bank Mortgage, the Bank Mortgage will follow such receivable. Based upon case law, certain Netherlands legal commentators assumed that a Bank Mortgage will only follow the receivable which it secures, if the relationship between the bank and the Borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the Borrower. However, based on the same case law, in recent legal literature the view has been defended that the Bank Mortgage will (partially) follow the receivable as an ancillary right upon assignment unless the intention of the mortgagee and mortgagor was to create a mortgage as a personal right ('*persoonlijk recht*') which was granted only for the benefit of that particular mortgage. The wording of the relevant mortgage deed constitutes *prima facie* evidence of such intentions, although it is not inconceivable that evidence to the contrary is brought forward. The above applies *mutatis mutandis* to the Borrower Pledges securing the Mortgage Receivables.

The forms of mortgage deed used by the Seller provide that in case of assignment of the Mortgage Receivable to a third party, the Mortgage will partially follow, *pro rata*, the receivable if it is assigned or pledged. This provision is a clear indication of the intentions of the parties in respect of assignment or pledge of the Mortgage Receivable. The Issuer has been advised that, if there are no circumstances which would have the result that the mortgage deed should be interpreted in any other manner, the inclusion of such provision in the mortgage deed will have the result that the Bank Mortgage and Borrower Pledge follow the Mortgage Receivable as an ancillary right upon assignment or pledge of the Mortgage Receivable, but there is no case law explicitly supporting this advice.

If the Mortgage and Borrower Pledge have (partially) followed the Mortgage Receivables upon their assignment, the Mortgage and Borrower Pledge would probably be co-held by the Issuer and the Seller and would secure both the Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and any claims against the relevant Borrowers held by the Seller. In case the Mortgage and Borrower Pledge are co-held by both the Issuer or the Security Trustee and the Seller, the rules applicable to co-ownership ('*gemeenschap*') apply. The Netherlands Civil Code provides for various mandatory rules which apply to such co-owned rights. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-held rights. It is uncertain whether the foreclosure of the Mortgage and Borrower Pledge will be considered as day-to-day management, and consequently, the consent of the Seller's bankruptcy trustee (in case of bankruptcy) or administrator (in case of suspension of payments) may be required for such foreclosure. The Seller, the Issuer and/or the Security Trustee (as applicable) will agree that in case of foreclosure the share ('*aandeel*') in each co-held Mortgage and Borrower Pledge of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount, increased with interest and costs, if any, and the Seller's share will be equal to the Net Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable in case of suspension of payments or bankruptcy of the Seller. In this respect it is agreed that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a



result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments. In addition, in case of suspension of payments or bankruptcy of the Seller, the Issuer and/or the Security Trustee would only have a concurrent claim ('*concurrente vordering*') in respect of such amount.

In view hereof, the Seller will undertake in the Mortgage Receivables Purchase Agreement that, until the Notes have been redeemed in accordance with the Conditions and the Issuer has no further obligation under any of the other Relevant Documents, it shall not grant or acquire any Other Claim(s) against a Borrower, which is/are secured by the Mortgage and Borrower Pledge, other than a Further Advance, provided that if the Seller agrees to grant such a Further Advance to a Borrower, the relevant Further Advance Receivable is purchased by the Issuer.

### **Set-off**

Prior to notification to the Borrowers of the assignment of the Mortgage Receivables to the Issuer, each Borrower will, subject to the Netherlands legal requirements for set-off being met, be entitled to set off amounts due by the Seller to him (if any) with amounts he owes in respect of the Mortgage Receivables. After notification to a Borrower of the assignment of the Mortgage Receivables to the Issuer, the Borrower will also have such set-off rights vis-à-vis the Issuer, provided that such legal requirements for set-off are met and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable or (ii) the counterclaim of the Borrower against the Seller has been originated and become due prior to notification to the relevant Borrower of the assignment of the Mortgage Receivables to the Issuer, such as counterclaims resulting from a current account relationship and, depending on the circumstances, counterclaims resulting from a deposit made by the Borrower.

The Mortgage Conditions specifically provide that a Borrower may not set-off his rights against repayment obligations vis-à-vis the Seller. Although this clause is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the Seller under Netherlands law, it is uncertain whether such waiver will be valid. Should such waiver be invalid, the foregoing applies *mutatis mutandis*.

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable.

For specific set-off issues relating to Savings Mortgage Loans and Life Mortgage Loans, reference is made to *Insurance Policies*, and for set-off issues relating to Investment Mortgage Loans, reference is made to *Investment Mortgage Loans*.

Upon registration of the deed of assignment of the Mortgage Receivables, the Seller will no longer have the right to set-off any amounts owed by the Seller to a Borrower against such Mortgage Receivable.

### **Insurance Policies**

The Life Mortgage Loans have the benefit of Life Insurance Policies. The Investment Mortgage Loans, the Annuity Mortgage Loans and the Interest-only Mortgage Loans may have the benefit of Risk Insurance Policies. The Savings Mortgage Loans have the benefit of Savings Insurance Policies. Certain legal issues relating to the effects of the assignment of (i) the Life Mortgage Loans, (ii) any Investment Mortgage Loans, Annuity Mortgage Loans or Interest-only Mortgage Loans which have the benefit of Risk Insurance Policies and (iii) the Savings Mortgage Loans on the Insurance Policies are set out in this section. Investors should be aware that (i) the Issuer may not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the Borrower in case the relevant Insurance Company defaults in its obligations as further described in this section. As a consequence, the Issuer may not have a claim on the Borrower. In such case, the rights of the Security Trustee will be similarly affected.

### *Pledge*

In respect of the Borrower Insurance Pledge, the Issuer has been advised that it is probable that the right to receive payment, including the surrender value (“*afkoopsom*”), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right under Netherlands law is not effective if the pledgor is declared bankrupt or is granted a suspension of payments, prior to the moment such right comes into existence. This means that it is uncertain whether such Borrower Insurance Pledge will be effective. Since the Borrower Insurance Pledge secures the same liabilities as the Bank Mortgages, the observations on transfer of the Mortgage and Borrower Pledge made in *Security Rights* above apply equally to such right of pledge.

### *Appointment of Beneficiary*

The Mortgage Conditions provide that the Seller (to the extent required irrevocably authorised by the relevant Borrower) has appointed itself (and, to the extent required, the Borrower has appointed the Seller) as beneficiary under the Insurance Policies, except that in certain cases another beneficiary will rank ahead of the Seller, provided that the Borrower Insurance Proceeds Instruction is given to the relevant Insurance Company. It is uncertain whether the Beneficiary Rights of the Seller will follow the Mortgage Receivables upon assignment thereof to the Issuer. Therefore, the Seller will, to the extent necessary and possible, assign and the Issuer will accept the assignment of the Beneficiary Rights. In addition, the Issuer will grant a first-ranking disclosed right of pledge over the Beneficiary Rights to the Security Trustee. In the situation where the assignment of the Beneficiary Rights is not effective and no Borrower Insurance Proceeds Instruction exists, the Issuer will enter into the Beneficiary Waiver Agreement under which the Seller, subject to the condition precedent of the occurrence of a Notification Event, waives or, as the case may be, undertakes to waive its rights as beneficiary under the Savings Insurance Policies and Life Insurance Policies with a Savings Element with the Savings Insurance Companies and appoints or, as the case may be, undertakes to appoint (i) the Issuer as beneficiary subject to the dissolving condition (“*ontbindende voorwaarde*”) of the occurrence of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee as beneficiary under the condition precedent (“*opschortende voorwaarde*”) of the occurrence of a Trustee I Notification Event relating to the Issuer. It is, however, uncertain whether such waiver and appointment will be effective. In view hereof and in respect of Life Insurance Policies or Risk Insurance Policies with any of the Life Insurance Companies, the Seller will undertake to use its best efforts, following a Notification Event to obtain the cooperation from all relevant parties (including the Life Insurance Companies) to (a) waive its rights as beneficiary and (b) appoint (i) the Issuer subject to the dissolving condition of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer as first beneficiary under the Insurance Policies. For the situation that a Borrower Insurance Proceeds Instruction exists, the Seller and the Savings Insurance Companies will in the Beneficiary Waiver Agreement undertake to use their best efforts, following a Notification Event to obtain the cooperation of all relevant parties to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer. It is uncertain whether such cooperation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, will not have been validly appointed as beneficiary under the Insurance Policies and the assignment and/or pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, it will be obliged to pay the amount received to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller and the Seller does not pay the amount received to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller as further discussed under *Set-off or Defences*, which may adversely affect payments on the Notes.

### *Insolvency of Insurance Companies*

If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, e.g. in case it is declared bankrupt or has become subject to emergency regulations, this could result in the amounts payable under the Insurance Policies either not, or only partly, being available for application in reduction of the relevant Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences as further discussed under *Set-off or Defences*.

### *Set-off or Defences*

If the amounts payable under the Insurance Policy are not applied in reduction of the Mortgage Receivable (see *Appointment of Beneficiary* and *Insolvency of Insurance Companies*), the Borrower may try to invoke a right of set-off of the amount due under the Mortgage Receivable with amounts payable under or in connection with the Insurance Policy.

As set out in *Set-off* above, the Mortgage Conditions provide for a waiver by the Borrowers of their set-off rights. It is, however, uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will need to comply with the applicable legal requirements in order to invoke a right of set-off. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. In case of the Mortgage Loans, the Insurance Policies are contracts between the relevant Insurance Company and the Borrowers on the one hand and the Mortgage Loans are contracts between the Seller and the Borrowers on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the Insurance Companies should be regarded as one legal entity or, based upon interpretation of case law, that possibly set-off is allowed, even if the Seller and the relevant Insurance Company are not considered as one legal entity, since the relevant Insurance Policy and the relevant Mortgage Loan are to be regarded as one interrelated relationship.

Furthermore, the Borrowers must have a counterclaim. If the relevant Insurance Company is declared bankrupt or subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a surrender value ("*afkoopsom*"). These rights are subject to the Borrower Insurance Pledge and, therefore, it may be argued that the Borrower will on this basis not be entitled to invoke a right of set-off for the surrender value. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by Borrowers.

Finally, set-off vis-à-vis the Issuer after notification of the assignment would be subject to the additional requirements for set-off being met (see *Set-off*). In the case of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element, such requirements are likely to be met, since the Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element and the Savings Insurance Policies and the Life Insurance Policies with the possibility of a Savings Alternative are likely to be regarded as one and the same relationship, but in the case of Life Mortgage Loans (other than Life Mortgage Loans with the possibility of a Savings Element), this is unlikely. The fact that the Mortgage Receivable is assigned to the Issuer is not likely to interfere with such a set-off (see *Set-off*).

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the Seller, the Issuer. The Borrowers could, *inter alia*, argue that (notwithstanding the waiver of set-off) it was the intention of the parties involved, or that the Borrowers could rightfully interpret the mortgage documentation and the promotional materials in such a manner, that the Mortgage Loan and the relevant Insurance Policy are to be regarded as one interrelated legal relationship and could, on this basis, claim a right of annulment or dissolution of the Mortgage Receivable or, alternatively, claim that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. On the basis of similar reasoning, Borrowers could also argue that the Mortgage Loans and the Insurance Policy were entered into as a result of "error" ("*dwaling*") or that it would be contrary to principles of reasonableness and fairness ("*redelijkheid en billijkheid*") for the Borrower to be obliged to repay the Mortgage Loan to the extent that he has failed to receive the proceeds of the Insurance Policy.

### *Life Mortgage Loans, other than Life Mortgage Loans with the possibility of a Savings Element*

In respect of Life Mortgage Loans with Life Insurance Policies between any of the Life Insurance Companies and the relevant Borrower, the Issuer has been advised that in respect of the risk of such set-off or defences being successful taking into account the preceding paragraphs and in view of the factual circumstances involved, *inter alia*, that all Borrowers are consumers and the fact that a default by the Borrower under the Life Insurance Policy results in a default under the Life Mortgage Loan, the possibility cannot be disregarded ("*de mogelijkheid kan niet worden uitgesloten*") that the courts will honour set-off or defences of Borrowers, if in the case of bankruptcy or emergency regulations of the relevant Life Insurance Company the Borrowers will not be able to recover their claims under their Life Insurance Policies.

### *Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element*

In respect of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element the Issuer has been advised that the risk that such a set-off or defence would be successful is greater than in case of the Life Mortgage Loans (other than Life Mortgage Loans with the possibility of a Savings Element) in view of, *inter alia*, the close connection between the Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element and the Savings Insurance Policy and the Life Insurance Policy with the possibility of a Savings Alternative and, therefore, constitutes a considerable risk ("*een aanmerkelijk risico*").

The Savings Sub-Participation Agreement will provide that in case of set-off or defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the relevant Savings Insurance Company of its obligations under the relevant Savings Insurance Policy or Life Insurance Policy with a Savings Alternative, and, as a consequence thereof, the Issuer will not have received any amount due and outstanding, the relevant Savings Participation of the relevant Savings Insurance Company will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such set-off or defence. The amount of the Savings Participation is equal to the amount of Savings Premia received by the Issuer plus the accrued yield on such amount (see *Sub-Participation Agreements*), provided that each Savings Insurance Company will have paid all Savings Premia received from the relevant Borrowers to the Issuer. Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower would invoke set-off or defences does not exceed the amount of the Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Savings Participation. The Sub-Participation Agreement does not apply to Life Mortgage Loans to which a Life Insurance Policy with the Unit-Linked Alternative is connected.

### **Proposed legislation on the provision of financial services**

A bill is currently pending before the Netherlands Parliament in which it is proposed to subject financial services providers, including offerers and brokers of financial products such as mortgage loans, to licensing requirements and continuous conduct supervision by the Netherlands Authority for the Financial Markets ("AFM"). It is expected that the bill will come into force as the Act on the Provision of Financial Services ("*Wet financiële dienstverlening*") in the second quarter of 2005.

If the bill is enacted in its current form, GMAC RFC Nederland will be required to apply with the AFM for a licence to act as an offerer of mortgage loans. The AFM will grant a licence if it is satisfied that GMAC RFC Nederland is reliable (in terms of management), has the necessary expertise (management and employees) as well as a reliable administrative organisation and an adequate system of internal controls and that it provides financial security, such as professional liability insurance, for the services it provides (each a "Financial Services Provider Requirement"). In addition, according to the current draft of the bill, a person who becomes the legal owner of mortgage receivables would be required to have a licence as of the moment legal title was transferred to it. Although discussions are pending between the Minister of Finance and market parties to provide some sort of exemption for special purpose vehicles in securitisation transactions, it cannot be certain that the Issuer would be exempt from the Financial Services Provider Requirement or similar requirements.

## **Long lease**

The mortgage rights securing the Mortgage Loans may be vested on a long lease (“*erfpacht*”).

A long lease will, *inter alia*, end as a result of expiration of the long lease term (in case of lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding two consecutive years or seriously breaches other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the Mortgage will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease, the Seller will take into consideration the conditions, including the term, of the long lease. The acceptance conditions used by the Seller provide that in such event the Mortgage Loan shall have a maturity that is shorter than the term of the long lease. The general terms and conditions of the Mortgage Loans provide that the Mortgage Loan becomes immediately due and payable in the event that, *inter alia*, (i) the leaseholder materially breaches or ceases to perform its payment obligation under the long lease, or (ii) the long lease is terminated, or (iii) if the leaseholder in any other manner breaches the conditions of the long lease.

## **Premium deposits in respect of Savings Mortgage Receivables**

Under the Mortgage Conditions, the Borrower of a Mortgage Loan, to which an Insurance Policy granted by DBV is connected, has a right to hold with DBV a deposit from which premia under certain Savings Insurance Policies and interest payments under the Savings Mortgage Receivables, as the case may be, are paid. The risk arising from this arrangement is analogous to those described in *Set-off* or *Defences* under the paragraph *Insolvency of Insurance Companies*. The Seller will represent and warrant that the amount held in deposit with DBV to fund future savings premia and interest payments did not exceed the amount of euro 560,000 on 1 November 2004.

## **Investment Mortgage Loans**

Under the Investment Mortgage Loans the Borrower does not pay principal prior to maturity of the Mortgage Loan. Instead the Borrower undertakes to invest agreed amounts in certain investment funds. Certain issues relating to Risk Insurance Policies entered into in connection with Investment Mortgage Loans are discussed in *Insurance Policies* above. See further *Description of the Mortgage Loans*.

### *Investment Accounts*

The investments in investment funds are effected by the Borrowers paying certain agreed amounts to Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., which are applied to acquire participations (“*deelnemingrechten*”) in certain selected investment undertakings in accordance with the instructions of the Borrower. The investment funds are managed by Allianz, Optimix N.V., Holland Beleggingsgroep B.V., Insinger de Beaufort, IVM Vermogensbeheer, Noord-Nederlands Effectenkantoor or Borghals Investment Management, as the case may be. The participations that are purchased are credited to the Investment Accounts. It is intended that the Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure, the Borrowers have a claim on Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., as the case may be, for the value of the investments. Should Stichting Allianz Nederland Beleggersrekeningen and/or Holland Beleggingsgroep B.V. and/or Stichting Optimix Beleggersgiro and/or Administratiekantoor Interland B.V., as the case may be, not be able to meet its obligations towards the Borrowers, this could lead to set-off or defences by Borrowers similar to those described under *Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in the event that the Seller is insolvent. In addition, the value of the investments may not be sufficient for the Borrower to fully redeem the related Mortgage Receivable at its maturity.

### *Pledge*

All rights of the Borrower in connection with the Investment Account have been pledged to the Seller in order to secure the same liabilities as the relevant Mortgage. The observations made above in relation to *Security Rights* apply equally here.

### **Reduced value of investments**

If the value of the investments made under the Investment Mortgage Loans has declined considerably, a Borrower may invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the Investment Mortgage Loans have been marketed and the promotional material provided to the Borrower. The above may also apply in case of a decline in value of investments made by the Life Insurance Companies in connection with the Life Insurance Policies with the Unit-Linked Alternative.

### **Construction Amounts**

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold the Construction Amount to be paid out in the event that certain conditions are met. The aggregate amount of the Construction Amounts as per the first day of November 2004 is euro 13,122,719. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to such aggregate Construction Amounts. Such amount will be deposited in the Construction Account. On each Quarterly Payment Date the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Amounts and the balance standing to the credit of the Construction Account and pay such amount to the Seller.

Pursuant to the Mortgage Conditions, Construction Amounts have to be paid out within 6 to 12 months. Upon the expiry of such period, the remaining Construction Amount (if such amount exceeds euro 2,250) will be set-off against the relevant Mortgage Receivable up to the amount of the Construction Amount, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price, and consequently any remaining part of the Construction Account will be used for redemption of the Notes in accordance with the Conditions of the Notes. Pursuant to the Mortgage Conditions, if such amount is less than euro 2,250, the Seller has the right to either pay out the remaining amount to the relevant Borrower or to set off such remaining amount against the relevant Mortgage Receivable. If an Assignment Notification Event has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the Initial Purchase Price. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Construction Amount.

### *Effectiveness of assignment of and pledge over the part of the Mortgage Receivables relating to Construction Amounts*

Under Netherlands law the distinction between “existing” (“*bestaande*”) receivables and “future” (“*toekomstige*”) receivables is relevant. If receivables are regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or granted a suspension of payments. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor. The Issuer has been advised that based on case law and legal literature uncertainty remains whether on the basis of the applicable terms and conditions the part of the Mortgage Receivables relating to the Construction Amounts are considered to be existing receivables. It could be argued that such part of the Mortgage Loan concerned comes into existence only when and to the extent the Construction Amount is paid out. If the part of the Mortgage Receivable relating to the Construction Amount is regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Amount is paid out on or after the date on which the Seller is declared bankrupt or granted suspension of payments.

## **Seller Account Pledge**

Since the Previous Transactions SPVs (and/or the Previous Transactions Security Trustees, as the case may be) and the Issuer (and/or the Security Trustee, as the case may be) have a first ranking right of pledge on the amounts standing to the credit of the Seller Collection Account, the rules applicable to co-ownership ("*gemeenschap*") apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights. In principle co-owners are required to cooperate with regard to their co-owned goods, but according to section 3:168 of the Netherlands Civil Code it is possible for co-owners to make an arrangement for the management ("*beheer*") of the co-owned goods by one or more of the co-owning parties.

The Previous Transactions SPVs, the Issuer, the Security Trustee and the Previous Transactions Security Trustees will further in the Seller Account Pledge Agreement agree that the Security Trustee and the Previous Transactions Security Trustees will manage ("*beheren*") such co-held rights jointly. It is uncertain whether the foreclosure of the rights of pledge will constitute management for the purposes of section 3:168 of the Netherlands Civil Code and as a consequence the cooperation of the Previous Transactions SPVs and the Issuer may be required for such foreclosure to take place.

The Seller, the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees will further agree in the Seller Account Pledge Agreement that (i) the share ("*aandeel*") in each co-held pledge right will be equal to the amounts collected from the respective pools of mortgage receivables purchased by the Issuer and the amounts collected from the Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Seller Collection Account, the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees should become insolvent. It is noted that the Seller's insolvency would not affect this arrangement. In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

It is a condition of this arrangement that future issuers (and security trustees) in securitisation transactions of the Seller will also have the benefit of such right of pledge.

## **Loan-to-Foreclosure Value Ratio**

The Mortgage Loans have a LTFV-ratio of up to 125 per cent. The appraisal Foreclosure Value ("*executiewaarde*") is approximately 85 to 90 per cent. of the market value ("*vrije verkoopwaarde*"). The loan to market value ("*vrije verkoopwaarde*") ratio for these Mortgage Loans is up to approximately 112 per cent. There can be no assurance that, on enforcement, all amounts owing by a Borrower under a Mortgage Loan can be recovered from the proceeds of the foreclosure on the property which is subject to the Mortgage. Interest-only Mortgage Loans may not exceed 90 per cent. of the appraisal Foreclosure Value; there can be no assurance that the foreclosure proceeds will exceed 90 per cent. of the estimated foreclosure value of the property. Any part of the loan exceeding 75 per cent. of the Foreclosure Value must have a redemption policy (see *Description of the Mortgage Loans*), and if the Borrower is older than 45 years, a Risk Insurance Policy.

## **Prepayment Considerations**

The maturity of the Notes of each relevant Class will depend on, among other things, the amount and timing of payment of principal (including full and partial prepayments, foreclosure proceeds on enforcement of a Mortgage Receivables, and repurchases by the Seller under the Mortgage Receivables Purchase Agreement and the consideration for granting a Savings Participation) on the Mortgage Receivables. The maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Receivables.

The rate of prepayment of the Mortgage Loans cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing, local and regional economic conditions and homeowner mobility. No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage

Loans may affect each Class of Notes differently. The estimated average lives of each Class of Notes must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

### **Subordination of the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes**

To the extent set forth in Conditions of the Notes 4, 6 and 9: (a) the Mezzanine Class B Notes are subordinated in right of payment to the Senior Class A Notes, (b) the Junior Class C Notes are subordinated in right of payment to the Senior Class A Notes and the Mezzanine Class B Notes, (c) the Subordinated Class D Notes are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes and (d) the Subordinated Class E Notes are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes. With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes.

If, upon default by the Borrowers and after exercise by the MPT Provider of all available remedies in respect of the applicable Mortgage Receivables, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes and the Issuer may be unable to pay in full interest due on the Notes, to the extent set forth in Condition of the Notes 9. On any Quarterly Payment Date, any such losses on the Mortgage Receivables will be allocated as described in *Credit Structure*.

### **Limited Liquidity of the Notes**

There is not, at present, any active and liquid secondary market for the Notes. There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. To date, no underwriter has indicated that they intend to establish a secondary market in the Notes.

### **Payments on the Mortgage Loans**

Payments on the Mortgage Loans are subject to credit, liquidity and interest rate risks and will generally vary in response to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and other similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay the Mortgage Loans.

### **Risks of Losses Associated with Declining Property Values**

The security for the Notes created under the Trustee Pledge Agreement I may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of those properties have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

### **Liquidity Risk**

The ability of the Issuer to redeem all the Notes in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default, may depend upon whether the value of the Mortgage Receivables is sufficient to redeem the Notes. There is not at present an active and liquid secondary market for loans with characteristics similar to the Mortgage Receivables in the Netherlands. It may not, therefore, be possible for the Issuer or, as the case may be, the Security Trustee or a receiver to sell the Mortgage Receivables on appropriate terms should such a course of action be required.

### **The Servicing Advance**

The MPT Provider will undertake in the Issuer Services Agreement to grant on a Put Date a Servicing Advance equal to the aggregate Principal Amount Outstanding of the Put Option Notes in respect of which a Put Option has been exercised, less the proportionate balance on the



relevant sub-ledgers of the Principal Deficiency Ledger, if any, to enable the Issuer to redeem the Put Option Notes on the relevant Put Date in accordance with the Conditions of the Notes, in particular Condition of the Notes 6(e). Put Option Noteholders can exercise the Put Option to effect redemption of the Put Option Notes on the relevant Put Date. IF THE ISSUER DOES NOT RECEIVE SUFFICIENT PRINCIPAL IN THE FORM OF A SERVICING ADVANCE TO FULLY REDEEM THE PUT OPTION NOTES IN RESPECT OF WHICH THE PUT OPTION HAS BEEN EXERCISED ON A PUT DATE, PRINCIPAL PAYMENTS ON THE PUT OPTION NOTES UNDER THE PUT OPTION WILL BE MATERIALLY ADVERSELY AFFECTED ON SUCH DATE. THIS DOES NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THE CONDITIONS OF THE NOTES, IN SUCH CASE ON THE RELEVANT PUT DATE AND THEREAFTER PAYMENTS ON THE NOTES WILL BE MADE IN ACCORDANCE WITH THE CONDITIONS OF THE NOTES 4, 6 AND 9 AS IF THE PUT OPTION HAD NOT BEEN EXERCISED.

### **No Gross-up for Taxes**

As provided in Condition of the Notes 7, if withholding of, or deduction for, or an account of any present or future taxes, duties or charges of whatsoever nature are imposed by or on behalf of the Netherlands or any other jurisdiction or any political subdivision or any authority therein or thereof having power to tax, the Issuer or the Paying Agent (as applicable) will make the required withholding or deduction of such taxes, duties or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to the Noteholders.

### **Reliance on Third Parties**

Counterparties to the Issuer may not perform their obligations under the Relevant Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that (a) GMAC RFC Nederland in its capacity of Seller (such as, *inter alia*, repurchase obligation), MPT Provider (such as, *inter alia*, the providing of the Defaulted Loan Services and a Servicing Advance at a Put Date), and Issuer Administrator will not meet its obligations vis-à-vis the Issuer; (b) STATER, as sub-agent of the MPT Provider, will not perform the MPT Services to the extent delegated to it; and (c) ABN AMRO as Swap Counterparty, Paying Agent, Reference Agent, Liquidity Facility Provider and GIC Provider will not perform the respective obligations thereunder and (d) Amsterdamsch Trustee's Kantoor B.V. and ATC Management B.V. will not perform their obligations under the relevant Management Agreements.

### **Extension Margins and Subordinated Extension Interest Part**

It should be noted that there is no guarantee that the Extension Margins will be equal to or higher than the Initial Margins. The Subordinated Extension Interest Part will be subordinated in right of payment to other payment obligations of the Issuer as set forth in the Interest Priority of Payments under items (a) up to and including (q). There can be no assurance on the (timely) payment of the Subordinated Extension Interest Part. Non payment of the Subordinated Extension Interest Part will not result in an event of default under the Conditions of the Notes. Moreover, the ratings of the Notes do not take into account the (timely) payment of the Subordinated Extension Interest Part.

### **Hedging Agreements**

The amount of revenue receipts that the Issuer receives will fluctuate according to the interest rates applicable to the Mortgage Loans. The Issuer will be subject to floating rate interest obligations under the Notes while the majority of the Mortgage Loans are subject to a fixed rate of interest subject to a reset.

To hedge the Issuer's exposure against the possible variance between the revenue it receives from the Mortgage Loans subject to a fixed rate of interest and the interest it pays under the Notes, the Issuer will enter into Hedging Agreements with Hedging Counterparties on the Closing Date and where necessary, each Quarterly Payment Date. See *Hedging Agreements* below. The Issuer's exposure against the possible variance between the revenue it receives from the Mortgage Loans subject to a variable rate of interest and the interest it pays under the Notes will not be hedged. In respect of Mortgage Loans subject to a variable interest rate, the Seller may at its discretion on each monthly interest reset date reset the interest rate. The Seller has covenanted to set the interest rate in accordance with its usual policy. It is the policy of the Seller to set the variable interest rate by reference to a margin over Euribor and interest rates prevailing

in the Dutch residential mortgage market. The Seller's discretion is subject to general principles of reasonableness and fairness. There can be no assurance that the interest rate set in accordance with the Seller's policy will at all times be equal to or exceed the interest payable on the Notes.

The Issuer may be liable to pay an amount calculated by reference to the change in the mark to market value of the Swap Agreement following any adjustment in the notional amount of the Swap Agreement pursuant to the terms thereof.

In addition, if a Hedging Agreement is terminated, the Issuer may be obliged to pay a termination payment to a Hedging Counterparty. The amount of any termination payment will be based on the market value of the terminated Hedging Agreement 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 Issuer cannot give any assurance that it will be able to enter into a replacement Hedging Agreement, or if one is entered into, that the credit rating of the replacement Hedging Counterparty will be sufficiently high to prevent a downgrading of the then current ratings of the Notes by the Rating Agencies.

The funds which the Issuer has available to make payments on the Notes of any Class may be reduced if the Issuer is obliged to make a termination payment to a Hedging Counterparty or to pay any other additional amount as a result of the termination of a Hedging Agreement. Any termination payment due to a Hedging Counterparty, however, which arises due to (i) a default by that Hedging Counterparty under a Hedging Agreement or (ii) the failure of a Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating, shall not rank in priority to payments due to any Noteholder (but, in relation to (ii) only, to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty in relation to a transaction entered into to replace that Hedging Agreement, the Hedging Counterparty shall rank in priority to payments due to any Noteholder).

### **Reset Mortgage Receivables**

The Mortgage Loans carry a fixed rate or a variable rate of interest. The fixed rate of interest is agreed for a period of up to 20 years from the date of origination, after which the interest rate will be reset for a different or identical time period as selected by the Borrower (see Tables on page 52). Until notification of the assignment of the Mortgage Receivables to the Issuer by the Seller has been made to the Borrowers, the Seller has the right to set the interest rates. The Issuer has been advised that the right to reset the interest rate should probably be considered as an ancillary right. If this view is correct the interest rate reset rights will have passed to the Issuer upon assignment of the Mortgage Receivables. However, the Issuer will in principle be bound by the relevant provisions of the Mortgage Conditions relating to the reset of interest rates. The Mortgage Conditions contain provisions relating to the interest rates and the interest periods to be offered to the Borrowers. According to the reset procedure, the Seller or, as the case may be, the assignee will set the interest rates. Pursuant to the Mortgage Conditions, if a Borrower does not accept the interest rate offered by the Seller, the Borrower has the obligation to prepay the Mortgage Receivable in full on the date on which the interest rate of a Mortgage Loan is to be reset.

The Seller will undertake in the Mortgage Receivables Purchase Agreement to set the interest rates of Mortgage Loans as agent of the Issuer or, as the case may be, the Security Trustee in accordance with its then prevailing procedures. Each of the Security Trustee and the Issuer may terminate the appointment of the Seller as agent of the Issuer to determine and set the rates of interest at any time. The Issuer and the Swap Counterparty have agreed that in case the senior unsecured, unsubordinated and unguaranteed debt obligations of General Motors Acceptance Corporation is lower than or is withdrawn in respect of any two of the following ratings: BB- or its equivalent by S&P or Ba3 or its equivalent by Moody's or BB- or its equivalent by Fitch then the Issuer will terminate the appointment of the Seller and will appoint the Swap Counterparty to determine and set the rates of interest in accordance with the Mortgage Conditions.

## **Self Certified Mortgage Loans**

1.17 per cent. of the Mortgage Receivables to be sold relate to Mortgage Loans in respect of which the intermediaries did not provide the Seller with a statement certifying that such intermediary has verified the Borrower's income. As such, there has been no independent verification that Borrowers have sufficient income to make the payment. However, this risk is mitigated because such statement is not used as part of the loan underwriting. An additional risk mitigant is that each relevant Mortgage Loan meets all underwriting criteria and each Borrower has neither a negative credit history, nor any other outstanding financial obligations (see *Description of the Mortgage Loan – Self Certification*).

## **European Union Directive on the taxation of savings**

On 3 June 2003 the Council of the European Union adopted a Council Directive on the taxation of savings income in the form of interest payments (the '**Directive**'). The Directive will apply to interest payments (as defined in the Directive) made in one Member State to or for individual beneficial owners (as defined in the Directive) who are resident in another Member State and will require all Member States to adopt an information reporting system with regard to such payments. However, for a transitional period, Austria, Belgium, and Luxembourg will be permitted to operate a withholding tax system.

According to the Directive, Member States would have been required to apply its provisions from 1 January 2005 provided that certain European third countries and certain dependent or associated territories applied the equivalent or, as the case may be, the same measures from that date. However, by a decision dated 19 July 2004, the Council having decided that this condition would not be met, adopted a new date, 1 July 2005. This date is subject to the same conditions as the former date. The transitional period will commence on the same date.

Under the information reporting system, a Member State will automatically communicate to the beneficial owner's Member State of residence information regarding interest payments (including the identity and residence of the beneficial owner) made by paying agents (as defined in the Directive) established within the former Member State, without requiring reciprocity. Under the withholding tax system (for Austria, Belgium, and Luxembourg), a Member State will levy a withholding tax in respect of interest payments made by paying agents established within its territory at a rate of 15 per cent. during the first three years of the transitional period, 20 per cent. for the subsequent three years, and 35 per cent. thereafter. The transitional period will end, and those Member States permitted to levy a withholding tax will, instead, be required to implement an information reporting system if and when the European Community enters into certain agreements with certain third countries regarding information exchange with respect to interest payments.

Under the Directive, the term "paying agent" means, generally, the last intermediary in any given chain of intermediaries that pays interest directly to, or secures the payment of interest for the immediate benefit of, the beneficial owner; the term "interest" is defined broadly and would include interest relating to debt-claims of any kind, including income from bonds; and the term "beneficial owner" means any individual who receives an interest payment or any individual for whom an interest payment is secured, unless he or she provides evidence that it was not received or secured for his or her own benefit.

The Netherlands has adopted legislation provisionally implementing the substantive provisions of the Directive. These provisions are expected to come into force on 1 July 2005, provided the above-mentioned conditions under which Member States are required to apply the Directive are satisfied from that date. If and when the Directive is implemented as required by the Directive, an individual Holder of Notes who is resident in an EU Member State other than the Netherlands may become subject to the automatic supply of information to the Member State in which the individual is resident with regard to interest payments made by (or in certain cases, to) paying agents established in the Netherlands.

## CREDIT STRUCTURE

*The structure of the credit arrangements for the proposed issue of the Notes may be summarised as follows.*

### **Mortgage Loan Interest Rates**

The Mortgage Loans pay interest either on a fixed rate basis, subject to a reset from time to time, or a variable rate of interest. On 1 November 2004 the weighted average interest rate of the Mortgage Loans was 4.32 per cent. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Description of the Mortgage Loans*.

### **Cash Collection Arrangements**

Payments by the Borrowers under the Mortgage Loans are due on the first day of each month, interest being payable in arrear. All payments made by the Borrowers will be paid into the Seller Collection Account maintained with ABN AMRO. The amounts standing to the credit of the Seller Collection Account will be pledged to the Previous Transactions SPVs and the Issuer jointly and repledged to the Previous Transactions Security Trustees and the Security Trustee jointly under the condition that any future issuer(s) (and, as the case may be, any security trustee(s)) in securitisation transactions of the Seller also benefit from such right of pledge (see *Description of Security*). The Seller Collection Account will also be used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys belonging to the Seller.

On the first business day of each month the Seller (or STATER on its behalf) will transfer to the Collection Account the Scheduled Amount. On each Mortgage Payment Date, the Seller will transfer (or procure that STATER will transfer on its behalf) the amount, if any, by which the Actual Amount exceeds the Scheduled Amount, increased with Prepayment Penalties received by the Seller, during the immediately preceding Mortgage Calculation Period, to the Collection Account. In case the Scheduled Amount exceeds the Actual Amount, the difference is paid by the Issuer to the Seller on the relevant Mortgage Payment Date.

### **Transaction Accounts**

The Issuer will maintain with the GIC Provider the Collection Account to which all amounts received (i) from the Seller in respect of the Mortgage Loans, (ii) from the Savings Insurance Companies under the Savings Sub-Participation Agreement and (iii) from the other parties to the Relevant Documents will be paid.

The Issuer Administrator will identify all amounts paid into the Collection Account by crediting such amounts to ledgers established for such purpose. Payments received on each Mortgage Payment Date in respect of the Mortgage Loans will be identified as principal or revenue receipts and credited to the Principal Ledger or the Revenue Ledger, as the case may be.

Payments may be made from the Collection Account other than on a Quarterly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business; (ii) amounts due under the Savings Sub-Participation Agreement and the Further Advance Sub-Participation Agreement; (iii) the Initial Purchase Price of Further Advance Receivables and/or New Mortgage Receivables and (iv) the difference between the Scheduled Amount and the Actual Amount, if any.

If any collateral in the form of cash is provided by the Swap Counterparty to the Issuer, the Issuer will be required to open a separate account in which such cash provided by the Swap Counterparty will be held. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in which such securities provided by the Swap Counterparty will be held. No payments or deliveries may be made in respect of such accounts other than in relation to the provision of Collateral or the return of Excess Swap Collateral, unless pursuant to the termination of the Swap Agreement, an amount is owed by the Swap Counterparty to the Issuer, in which case, the collateral may be applied in accordance with the Trust Deed. Excess Swap Collateral means an amount equal to the value of any collateral transferred to the Issuer by the Swap Counterparty under the Swap Agreement that is in excess of the Swap Counterparty's liability to the Issuer thereunder (i) as at the date such Swap Agreement is terminated or (ii) that is otherwise due to the Swap Counterparty in accordance with the terms of the Swap Agreement.

The Issuer will maintain with the GIC Provider the Pre-funded Account to which it will credit the Pre-funding Amount on the Closing Date. Payments may be made from the Pre-funded Account on a Pre-funding Purchase Date only to satisfy the Initial Purchase Price of New Mortgage Receivables. Any remaining balance standing to the credit of the Pre-funded Account on the Quarterly Calculation Date falling in January 2005 will be transferred to the Collection Account and applied towards redemption of the Notes on the immediately succeeding Quarterly Payment Date.

The Issuer will maintain with the GIC Provider the Construction Account to which on the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited. Payments may be made from the Construction Account on a Mortgage Payment Date only to satisfy payment by the Issuer to the Seller of (part of) the Initial Purchase Price as a result of the distribution of (part of) the Construction Amount by the Seller to the Borrower. Besides this, the Construction Account will be debited with the amount of the Construction Amount which has been set off against the relevant Mortgage Receivables as a result of which the Issuer has no further obligation to pay (such part of) the Initial Purchase Price. Such amount will be transferred to the Collection Account and applied towards redemption of the Notes on the immediately succeeding Quarterly Payment Date.

If any collateral is transferred pursuant to a Hedging Agreement in favour of the Issuer, whether or not to the Collection Account, the Issuer may apply such collateral in accordance with the relevant Hedging Agreement and the Trust Deed, subject to the Issuer's obligation to return directly to the Hedging Counterparty under such Hedging Agreement any Excess Swap Collateral.

The Issuer will also maintain with the GIC Provider the Reserve Account (see below).

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the GIC Provider are assigned a rating of less than A-1+ by S&P or Prime-1 by Moody's or F1 by Fitch or any such rating is withdrawn by S&P, Moody's or Fitch, then the Issuer will within 30 days of reduction or withdrawal of such rating use its best endeavours to (i) find an alternative GIC Provider acceptable to S&P, Moody's, Fitch and the Security Trustee or (ii) find any other solution acceptable to S&P, Moody's and Fitch to maintain the then current ratings assigned to the Notes.

## **I Priority of Payments prior to the Enforcement Date**

### **A Priority of Payments in respect of interest**

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Quarterly Calculation Date as being received or held during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date (items (i) up to and including (xi) being hereafter referred to as the "**Notes Interest Available Amount**"):

- (i) as interest on the Mortgage Receivables, less with respect to each (x) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element and (y) Further Advance an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as interest credited to the Transaction Accounts, excluding the Construction Account;
- (iii) as Prepayment Penalties;
- (iv) as Net Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal, less with respect to each (x) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element and (y) Further Advance an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (v) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) on the immediately succeeding Quarterly Payment Date;
- (vi) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;
- (vii) as amounts to be received from the Hedging Counterparties under the Hedging Agreements on the immediately succeeding Quarterly Payment Date;

- (viii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal, less with respect to each (x) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element and (y) Further Advance an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ix) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed or the Issuer Services Agreement to the extent such amounts do not relate to principal less with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Further Advance Savings Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (x) as amounts received as post-foreclosure proceeds on the Mortgage Receivables and Further Advance Receivables, less in respect of each Further Advance Receivable an amount equal to the amount received in respect of such Further Advance Receivable multiplied by the relevant Participation Fraction as calculated at the time the foreclosure procedures commenced; and
- (xi) as amounts standing to the credit of the Collection Account after all Put Option Notes have redeemed in full;

will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the immediately succeeding Quarterly Payment Date in accordance with the following priority of payments (the “**Interest Priority of Payments**”) (in each case only if and to the extent that payments of a higher order of priority have been made in full):

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of administration fees and expenses due and payable to the Issuer Administrator and the MPT Provider under the Issuer Services Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer’s business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer’s liability, if any, to tax and the fees and expenses of S&P, Moody’s and Fitch, the Security Trustee and any legal advisor, auditor and accountants appointed by the Issuer or the Security Trustee, and (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (d) *fourth*, (i) in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility, other than any Liquidity Facility Subordinated Amount, payable under (p), or (ii) following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Ledger;
- (e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of amounts, if any, due or accrued but unpaid under the Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty but excluding any Swap Subordinated Amount and, for the avoidance of doubt, excluding any amount relating to Excess Swap Collateral;
- (f) *sixth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Senior Class A Notes;
- (g) *seventh*, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;

- (h) *eighth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Mezzanine Class B Notes;
- (i) *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (j) *tenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Junior Class C Notes;
- (k) *eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (l) *twelfth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Subordinated Class D Notes;
- (m) *thirteenth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;
- (n) *fourteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes, excluding, after the First Put Date, the Subordinated Extension Interest Part relating to the Subordinated Class E Notes;
- (o) *fifteenth*, in or towards satisfaction of any sums required to be deposited on the Reserve Account or, as the case may be, to replenish the Reserve Account up to the amount of the Reserve Account Target Level;
- (p) *sixteenth*, in or towards satisfaction of a Liquidity Facility Subordinated Amount due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (q) *seventeenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, to the relevant Hedging Counterparties of any Swap Subordinated Amount due under the Hedging Agreements;
- (r) *eighteenth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes as Subordinated Extension Interest Part relating to the Senior Class A Notes;
- (s) *nineteenth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes as Subordinated Extension Interest Part relating to the Mezzanine Class B Notes;
- (t) *twentieth*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes as Subordinated Extension Interest Part relating to the Junior Class C Notes;
- (u) *twenty-first*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes as Subordinated Extension Interest Part relating to the Subordinated Class D Notes;
- (v) *twenty-second*, after the First Put Date, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes as Subordinated Extension Interest Part relating to the Subordinated Class E Notes;
- (w) *twenty-third*, on the First Put Date and each Put Date thereafter in or towards satisfaction of principal amounts due under the Subordinated Class E Notes; and
- (x) *twenty-fourth*, in or towards satisfaction of a Deferred Purchase Price Instalment due and payable to the Seller.

**B Priority of Payments in respect of principal**

The sum of the following amounts, calculated as at any Quarterly Calculation Date, as being received or held during the immediately preceding Quarterly Calculation Period (items (i) up to and including (xii) hereinafter referred to as the “**Notes Redemption Available Amount**”):

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance Receivable, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as Net Proceeds, to the extent such proceeds relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iv) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (v) as amounts of interest received to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;
- (vi) as Monthly Savings Participation Increase pursuant to the Savings Sub-Participation Agreement;
- (vii) as partial prepayment in respect of Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, less, in respect of a Further Advance, an amount equal to the amount received on each Further Advance Receivable multiplied by the relevant Participation Fraction;
- (viii) as amounts standing to the credit of the Pre-funded Account upon the expiry of the Pre-funding Period;
- (ix) as amounts received on the Collection Account from the credit of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation pursuant to the Savings Sub-Participation Agreement and as consideration for the Further Advance Participation pursuant to the Further Advance Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Quarterly Payment Date; and
- (xii) as amounts received as the Servicing Advance on the relevant Put Date;

will be applied by the Issuer on the immediately succeeding Quarterly Payment Date (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) after the payment of the Initial Purchase Price of New Mortgage Receivables and Further Advance Receivables to redeem:

- (i) (x) before the Target Amortisation Date or (y) on or after the Target Amortisation Date in case a Target Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
  - (a) *first*, the Senior Class A Notes, until fully redeemed, and, thereafter
  - (b) *second*, the Mezzanine Class B Notes, until fully redeemed, and, thereafter
  - (c) *third*, the Junior Class C Notes, until fully redeemed, and, thereafter
  - (d) *fourth*, the Subordinated Class D Notes, until fully redeemed; and



- (ii) on or after the Target Amortisation Date, unless a Target Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date:
- (a) *first*, the Senior Class A Notes by applying the Class A Notes Redemption Available Amount;
- (b) *second*, the Mezzanine Class B Notes by applying the Class B Notes Redemption Available Amount;
- (c) *third*, the Junior Class C Notes by applying the Class C Notes Redemption Available Amount; and
- (d) *fourth*, the Subordinated Class D Notes by applying the Class D Notes Redemption Available Amount.

## **II Priority of Payments after the Enforcement Date**

After the Enforcement Date, any amounts payable by the Security Trustee under the Trust Deed and the Parallel Debt Agreement (other than in respect of the Participations) will be paid to the Secured Parties (including the Noteholders, but excluding the Savings Insurance Companies and the Further Advance Participant) in accordance with the following Priority of Payments upon Enforcement (after deduction of costs incurred by the Security Trustee, which will include, *inter alia*, fees and expenses of S&P, Moody's and Fitch and any legal advisor, auditor or accountant appointed by the Security Trustee) (and in each case only if and to the extent payments of a higher priority have been made in full):

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors, (ii) the fees and expenses and any other amount due to the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement, and (iii) the fees and expenses and any other amount due to the Issuer Administrator and the MPT Provider;
- (b) *second*, in or towards satisfaction of any sums due or sums accrued but unpaid under the Liquidity Facility Agreement, but excluding any Liquidity Facility Subordinated Amount payable under (m) below;
- (c) *third*, in or towards satisfaction of amounts, if any, due or accrued but unpaid under the Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty, but excluding any Swap Subordinated Amount and, for the avoidance of doubt, excluding any amount relating to Excess Swap Collateral;
- (d) *fourth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes, excluding the Subordinated Extension Interest Part relating to the Senior Class A Notes;
- (e) *fifth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Senior Class A Notes;
- (f) *sixth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class B Notes, excluding the Subordinated Extension Interest Part relating to the Mezzanine Class B Notes;
- (g) *seventh*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class B Notes;
- (h) *eighth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Junior Class C Notes, excluding the Subordinated Extension Interest Part relating to the Junior Class C Notes;
- (i) *ninth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Junior Class C Notes;
- (j) *tenth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class D Notes, excluding the Subordinated Extension Interest Part relating to the Subordinated Class D Notes;
- (k) *eleventh*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class D Notes;

- (l) *twelfth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class E Notes, excluding the Subordinated Extension Interest Part relating to the Subordinated Class E Notes;
- (m) *thirteenth*, in or towards satisfaction of a Liquidity Facility Subordinated Amount due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (n) *fourteenth*, in or towards satisfaction of all Swap Subordinated Amounts due under the Hedging Agreements to the Swap Counterparty and to any other Hedging Counterparty;
- (o) *fifteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes as Subordinated Extension Interest Part relating to the Senior Class A Notes;
- (p) *sixteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes as Subordinated Extension Interest Part relating to the Mezzanine Class B Notes;
- (q) *seventeenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class C Notes as Subordinated Extension Interest Part relating to the Junior Class C Notes;
- (r) *eighteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class D Notes as Subordinated Extension Interest Part relating to the Subordinated Class D Notes;
- (s) *nineteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes as Subordinated Extension Interest Part relating to the Subordinated Class E Notes;
- (t) *twentieth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class E Notes;
- (u) *twenty-first*, the repayment of the Servicing Advance under the Issuer Services Agreement; and
- (v) *twenty-second*, in or towards satisfaction of the Deferred Purchase Price Instalment to the Seller.

### **Liquidity Facility**

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. The Issuer will be entitled on any Quarterly Payment Date (other than a Quarterly Payment Date if and to the extent that on such date the Notes are redeemed in full) to make drawings under the Liquidity Facility up to the Liquidity Maximum Amount. The Liquidity Facility Agreement is for a term of maximum 364 days. The commitment of the Liquidity Facility Provider is extendable at its option, beginning on the Quarterly Payment Date falling in October 2005. Any drawing under the Liquidity Facility by the Issuer will only be made on a Quarterly Payment Date if and to the extent that, after the application of amounts available in the Reserve Account and taking into account any drawing under the Liquidity Facility, there is a shortfall in the Notes Interest Available Amount to meet items (a) to (l) (inclusive) (but not items (g), (i) and (k)) in the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawing may be made to meet item (f) in the Interest Priority of Payments if there is a debit balance on the Class A Principal Deficiency Ledger exceeding 60 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes and no drawing may be made to meet item (h) in the Interest Priority of Payments if there is a debit balance on the Class B Principal Deficiency Ledger exceeding 60 per cent. of the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes and no drawing may be made to meet item (j) in the Interest Priority of Payments if there is a debit balance on the Class C Principal Deficiency Ledger exceeding 70 per cent. of the aggregate Principal Amount Outstanding of the Junior Class C Notes and no drawing may be made to meet item (l) in the Interest Priority of Payments if there is a debit balance on the Class D Principal Deficiency Ledger exceeding 90 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Class D Notes.

If, at any time, (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than A-1+ by S&P or Prime-1 by Moody's or F1 by Fitch, or any such rating is withdrawn, and (ii) the Liquidity Facility

is not renewed or replaced by the Issuer within 30 days of such downgrading or withdrawal to an alternative Liquidity Facility Provider, acceptable to S&P, Moody's, Fitch and the Security Trustee, and (iii) any other solution acceptable to S&P, Moody's and Fitch is not found to maintain the then current ratings of the Notes; the Issuer will be required forthwith to make a Liquidity Facility Stand-by Drawing and credit such amount to the Collection Account with a corresponding credit to the Liquidity Facility Stand-by Ledger. Amounts so credited to the Collection Account may be utilised by the Issuer in the same manner as if the Liquidity Facility had not been so drawn. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date.

### **Reserve Account**

The net proceeds of the issue of the Subordinated Class E Notes will be credited to the Reserve Account on the Closing Date.

Amounts credited to the Reserve Account will be available on any Quarterly Payment Date to meet items (a) to (n) inclusive of the Interest Priority of Payments.

If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items ranking higher than item (n) (inclusive) in the Interest Priority of Payments, the excess amount will be applied to deposit on the Reserve Account or, as the case may be, to replenish the Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

The Reserve Account Target Level will on any Quarterly Calculation Date be equal to:

- (i) 0.5 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes at the Closing Date, or
- (ii) 1.35 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes at the Closing Date, if on such Quarterly Calculation Date the quotient of the aggregate Outstanding Principal Amount in respect of the Delinquent Mortgage Receivables divided by the aggregate Outstanding Principal Amount on such date exceeds 2.0 per cent., or
- (iii) zero, if on the immediately succeeding Quarterly Payment Date the Put Option Notes will be redeemed in full.

If and to the extent that the Notes Interest Available Amount (remaining after items (a) up to and including (n) having been met) on a Put Date exceeds the amounts required to meet items (o) up to and including (v) of the Interest Priority of Payments, such excess will be deposited in the Reserve Account.

To the extent that the balance standing to the credit of the Reserve Account on a Put Date exceeds the Reserve Account Target Level and items (a) up to and including (n) of the Interest Priority of Payments have been made in full, such excess will be drawn from the Reserve Account on the relevant Put Date and be applied towards redemption of the Subordinated Class E Notes until fully repaid and shall thereafter paid to the Seller as a Deferred Purchase Price Instalment.

### **Principal Deficiency Ledger**

A Principal Deficiency Ledger comprising four sub-ledgers (the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class D Principal Deficiency Ledger) will be established by or on behalf of the Issuer in order to record any Principal Deficiency. An amount equal to any Principal Deficiency will be debited to the Class D Principal Deficiency Ledger (such debit items being credited at item (m) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such sub-ledger is less than the Class D Principal Deficiency Limit and thereafter such amount will be debited, to the Class C Principal Deficiency Ledger (such debit items being credited at item (k) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is less than the Class C Principal Deficiency Limit and thereafter such amount will be debited to the Class B Principal Deficiency Ledger (such debit items being credited at item (i) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as

the debit balance on such ledger is less than the Class B Principal Deficiency Limit and thereafter such amount will be debited to the Class A Principal Deficiency Ledger (such debit items being credited at item (g) of the Interest Priority of Payments, (to the extent funds become available for such purpose).

## OVERVIEW OF THE NETHERLANDS RESIDENTIAL MORTGAGE MARKET

*The information provided under "Overview of the Netherlands Residential Mortgage Market" below has been derived from publicly available information on the Dutch mortgage industry.*

### Market Characteristics

#### *Owner-Occupancy Rates*

The Netherlands housing market exhibited a relatively low owner-occupancy rate of 53 per cent. in 2002, whereas the average owner-occupancy rate in the EU as a whole was 61 per cent.

#### *House Prices*

General price increases on the Netherlands housing market occurred in the 1995 – 2000 period, due to the combined effects of favourable economic conditions and institutional changes. Income growth, declining mortgage interest rates and a reduction of unemployment increased demand for owner-occupied housing. Furthermore, a decrease in the number of newly built homes supported these price rises. Another cause of the price increases in the late 1990's is a change in how some mortgage lenders calculate the borrowing capacity of households. In general, lenders formerly calculated the borrowing capacity of households based on the primary household salary only. Since the mid-1990's, some lenders also evaluated a second household salary. For double-income households this resulted in a surge of their borrowing capacity, which could be used to bid up prices of the relatively scarce owner-occupied property. In addition the number of double-income households has been increasing over the past decade. It is not certain whether, and how many, lenders will continue to underwrite mortgage loans in this way, and accordingly to this increased capacity may not be generally sustained.

The Netherlands residential property market saw strong price increases in the later part of the nineties and the beginning of this decade. Recent developments in the economic environment have resulted in lower levels of consumer confidence and house price increases have slowed. In some price classes and locations minor price decreases have even been registered. However, the underlying factors of the Netherlands housing market remain strong and a collapse of house prices in the Netherlands is therefore very unlikely.

### Mortgage Market Characteristics

#### *Mortgage Indebtedness*

Compared to other European countries the Netherlands market shows a relatively high degree of mortgage indebtedness. Both the fiscal climate and the existence of the NHG Guarantee helps explain this fact. In the Netherlands it is possible to deduct mortgage interest payments from taxable income (see *Government Policy and Restrictions*). The NHG Guarantee makes it possible to finance a house with a mortgage loan corresponding to 100 per cent. of the market value of the property plus costs relating to the purchase of the property, with a maximum loan of euro 230,000 as of 1 January 2004. Around 50 per cent. of all newly issued mortgages up to euro 230,000 are covered by the NHG Guarantee. Foreclosure Value in the Netherlands is estimated to be generally around 85 to 90 per cent. of the market value.

As a result of the relatively high mortgage indebtedness, the Netherlands market tends to be a relatively high loan-to-value market. Due to rising home-ownership and rising prices, the total mortgage debt outstanding increased substantially in the late 1990's. Total mortgage debt outstanding was euro 363 billion (as of June 2003), which causes the Netherlands economy to be a relatively high Mortgage Debt-to-GDP economy with a ratio of approximately 0.66 in 2001.

#### *Default Losses*

Since the BKR registers all loans as well as their status, financial institutions use the historical information of the BKR to determine potential borrowers' creditworthiness. In case of default this will inevitably lead to limited access to loans for the defaulter (or no access at all) for some years. Furthermore, under Netherlands law the lender is able to seize a portion of the borrower's earnings from his employer in case the borrower defaults. Available data indicate that losses peaked in the early 1980's to about 30 basis points of the outstanding amount, due to a combined effect of declining house prices and an increase in unemployment levels. In the event of foreclosure, however, recoveries are generally still less than fair market value. Since then, losses declined substantially, reaching levels of below 1 basis point of the outstanding principal in the 1990's. A factor that prevents lenders from incurring high losses on the Netherlands mortgage

market is the already mentioned NHG Guarantee. Defaults of borrowers covered under the NHG do not have consequences for the lenders since such losses are 100 per cent. covered by the government. In 2001, defaults on NHG guaranteed loans were 0.14 basis points.

#### *Prepayment Terms*

Lending terms in the Netherlands generally allow a borrower to prepay up to 10 to 15 per cent. a year of the original amount that has been borrowed without being penalised. Full prepayment without penalty is only possible in cases of moving or decease. However, mortgagors are also allowed to prepay on an interest-reset date without a penalty. If prepayment occurs in other situations, Prepayment Penalties are severe: the borrower generally has to pay the lender a compensation for the lender's loss of income, if any. This compensation equals the present value of the loss in interest income up to the loans reset date. Prepayment Penalties are tax deductible to the borrower. Declining interest rates in the mid- and late 1990's encouraged many mortgagors to refinance.

#### *Government Policy and Regulation*

The Netherlands tax system allows, in principle, full deduction of all mortgage interest payments on the borrower's primary residence from taxable income. The interest deduction is limited to 30 years of interest payments.

As per 1 January 2004, new legislation entered into force in the Netherlands limiting the deduction of mortgage interest payments in certain specific situations. If a homeowner sells his residence for an amount in excess of the amount of the mortgage loan (the "excess value") and acquires a new residence for an amount exceeding the previous mortgage loan, deduction of interest on the mortgage loan to acquire the new residence will be limited if the "excess value" is not entirely used for the acquisition of the new residence. If, for example, a residence with a mortgage loan of euro 200,000 is sold for euro 300,000 and a new residence is acquired for euro 500,000, only the mortgage interest payments related to a mortgage loan of euro 400,000 will be deductible. The "excess value" of euro 100,000 of the old residence limits the interest deductibility if a mortgage loan in excess of euro 400,000 would be taken up.

Mortgage interest payments on residences that are not the primary residence of the borrower are not tax deductible. Instead, both the fair market value of the property and the corresponding loan are taken into account for the calculation of the borrower's "yield basis" when determining borrower's income on savings and investments (see Taxation in the Netherlands). On an annual basis the borrower will be taxed at a rate of 30 per cent. on deemed income, which consists of 4 per cent. of the average yield basis of the borrower insofar as the average yield basis exceeds a certain threshold.

The Netherlands government also levies a property tax, the so-called "Eigenwoningforfait", on homeowners. The fiscal advantage of the interest deduction is maximised in the Netherlands through the availability of interest-only mortgages whereby full redemption takes place upon maturity but not during the term of the loan. In addition, a proportion of residential mortgage loans has the benefit of a life insurance policy or a savings insurance policy, with the most common term of insurance being 30 years. The government encourages this method of redemption by exempting from tax the capital sum received under the policy, up to a certain amount (in 2004: euro 137,500 for individuals and euro 275,000 for couples) plus annual indexing, provided the term of insurance is at least 20 years and other conditions are met.

Prior to 2001 this property tax was called "*Huurwaardeforfait*".

## **GMAC RFC NEDERLAND B.V.**

GMAC RFC Nederland B.V. is a private limited company (“*besloten vennootschap*”) and was incorporated in the Netherlands on 23 November 2000. GMAC RFC Nederland was formed by Residential Funding Corporation, an indirect wholly owned subsidiary of General Motors Acceptance Corporation, a wholly owned subsidiary of General Motors Corporation. GMAC RFC Nederland’s primary business is to originate mortgage loans to borrowers in the Netherlands through intermediaries and other financial institutions and to purchase and trade in mortgage receivables portfolios in the Netherlands.

GMAC RFC Nederland provides mortgage brokers with electronic access to the computerised resources of STATER, which utilises an application processing and an automated underwriting system to review mortgage applications for approval and to service mortgages (see *Mortgage Loan Underwriting and Origination and Administration of the Mortgage Receivables*).

The registered office of GMAC RFC Nederland is at Prinses Margrietplantsoen 92, 2595 BR, The Hague, the Netherlands.

## DESCRIPTION OF THE MORTGAGE LOANS

### Types of Mortgage Loans

The Mortgage Loans will consist of Interest-only Mortgage Loans, Annuity Mortgage Loans, Life Mortgage Loans, Savings Mortgage Loans, Investment Mortgage Loans or combinations of these types of loans.

The Savings Mortgage Loans and Life Mortgage Loans are, and the Interest-only Mortgage Loans and Annuity Mortgage Loans may be, connected to an Insurance Policy. Savings Mortgage Loans and Life Mortgage Loans are connected to a combined risk and capital insurance policy. Interest-only Mortgage Loans, Annuity Mortgage Loans and Investment Mortgage Loans are not connected to a combined risk and capital insurance policy. They may, however, be connected to a Risk Insurance Policy. See *Risk Insurance Policy*.

Pursuant to the Mortgage Conditions, the Mortgage Receivable becomes due and payable (“*opeisbaar*”) if the Borrower fails to perform in timely fashion its (payment) obligations under a connected Insurance Policy.

### Characteristics of the Mortgage Loans

The Mortgage Loans will have different repayment methods as described below. Prepayment of principal is possible, subject, in certain circumstances, to a penalty.

### Interest-only Mortgage Loans

Under the Interest-only Mortgage Loan, the Borrower is obliged to pay only interest during the term of such Mortgage Loan, so that the Borrower does not pay principal towards redemption of the relevant Mortgage Receivable until maturity, when the entire principal amount is due. Interest-only Mortgage Loans may be granted up to an amount equal to 90 per cent. of the Foreclosure Value of the Mortgaged Asset at origination, if such Mortgage Loan has the benefit of a Risk Insurance Policy for that part of the Interest-only Mortgage Loan which is in excess of 75 per cent. of the Foreclosure Value of the Mortgaged Asset.

### Annuity Mortgage Loans

Under the Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the Mortgage Receivable will be fully redeemed at the end of its term.

### Investment Mortgage Loans, Savings Mortgage Loans and Life Mortgage Loans

#### *General*

Under the Investment Mortgage Loans, the Savings Mortgage Loans and the Life Mortgage Loans, no principal is scheduled to be repaid prior to maturity. Until maturity, the Borrower is only required to pay interest in connection with the mortgage loan. Prepayment of principal is possible in certain circumstances, subject to a penalty. Instead, moneys are invested in order to build up capital, either under a combined risk and capital insurance policy or outside an insurance policy, as further described below. In all cases, it is the intention but not the obligation of the relevant Borrower that the Mortgage Receivable will be fully or partially repaid by means of the proceeds of the Insurance Policies or investments. See *Special Considerations* for a discussion regarding the pledges on the rights of the Borrower in respect of the Insurance Policies.

#### *Investment Mortgage Loans*

Under an Investment Mortgage Loan, instead of paying amounts towards redemption prior to maturity, the Borrower undertakes to invest, either on an instalment basis (for at least two instalments) or up front, an agreed minimum amount in certain investment funds. In respect of an Investment Mortgage Loan, the Borrower invests in investment funds managed by Allianz, Optimix N.V., Holland Beleggingsgroep B.V., Insinger de Beaufort, IVM Vermogensbeheer, Noord-Nederlands Effectenkantoor or Borghals Investment Management as the case may be. The rights under these investments have been pledged to the Seller as security for repayment of the Investment Mortgage Loan. The redemption value of the investments is not guaranteed and the return on investments is not guaranteed.



Failure by the Borrower to pay the agreed amount under the Insurance Policies or towards purchases of units in investment funds would result in the Mortgage Receivable becoming due and payable.

The Investment Mortgage Loans may have the benefit of Risk Insurance Policies, taken out by the Borrowers thereof.

### ***Savings Mortgage Loans and Life Mortgage Loans***

#### *General*

Savings Mortgage Loans and Life Mortgage Loans are connected to a combined risk and capital investment insurance policy. Instead of principal payments, the Borrower pays to the relevant Insurance Company a premium, either on an instalment basis or up front. The premium consists of a risk insurance element and a capital insurance element.

The risk insurance element of the premium is paid under the policy, in exchange for the undertaking of the Insurance Company to pay out an agreed amount upon the death of the insured, which may not always be the Borrower.

The capital insurance element of the premium is used by the Insurance Company to build up capital. It is the intention, but not the obligation of the Borrower, that the capital is applied towards redemption of the principal amount at maturity thereof.

The capital element of the premium paid by the Borrowers may be invested by the Insurance Company in (i) (parts of) the Mortgage Receivables to which the relevant Insurance Policy relates, either directly or indirectly, by inter-positioning an investment fund for that purpose or (ii) indirectly, in certain other assets through investment funds or (iii) a combination of (i) and (ii).

#### *Savings Mortgage Loans*

Under a Savings Mortgage Loan, the capital element of the premium is referred to as the Savings Premium. The Savings Premium is applied by the Savings Insurance Company to invest in the related Savings Mortgage Loan. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. The proceeds of these Savings Insurance Policies are applied towards principal redemption of the Savings Mortgage Receivables.

#### *Life Mortgage Loans*

A portion of the Mortgage Loans (or parts thereof) will be in the form of Life Mortgage Loans ("*levenhypotheeken*"), which have the benefit of Life Insurance Policies, taken out by the Borrowers with the Life Insurance Companies. Under a Life Mortgage Loan, no principal is paid until maturity. Life Insurance Policies are offered in several alternatives by the Life Insurance Companies. In the first alternative, the insured opts for a guaranteed amount to be received when the Life Insurance Policy pays out. The other two alternatives are the Savings Alternative and the Unit-Linked Alternative.

The Life Mortgage Loans originated by the Seller are sold under the name of Universal Life. In the case of a Universal Life product, the Borrower has a switch policy with Allianz or Universal, whereby the Borrower has the choice between (a) the Unit-Linked Alternative and (b) the Savings Alternative (the so-called "*Allianz Hypotheekrentefonds*" or "*Hypotheekrentefonds*", respectively) or (c) a combination of option (a) and (b).

Failure by the Borrower to pay the premium under the Life Insurance Policy would result in the Mortgage Receivable becoming due and payable.

#### *Switches and Conversions*

Switching between the Savings Alternative and the Unit-Linked Alternative under Life Insurance Policies connected to Life Mortgage Loans originated by the Seller can be effectuated at the Borrower's option on the date the interest on the relevant Mortgage Receivable is reset with the prior approval of the Seller and subject, in circumstances, to payment of a penalty.

### **Savings Sub-Participation Agreement**

On the Closing Date, the Issuer will enter into the Savings Sub-Participation Agreement with the Savings Insurance Companies under which, *inter alia*, each of the Savings Insurance

Companies will acquire on the Closing Date the Initial Participation in respect of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element.

### **Interest Payments/Interest Rate Setting**

The majority of the Mortgage Loans carry a fixed rate of interest for a certain set interest period ("*rentevastperiode*"). At the end of an interest period, the interest rate will be reset, unless the Borrower redeems the Mortgage Loans. An additional margin may be imposed on Mortgage Loans which exceed certain loan-to-foreclosure value ratios. In general, fixed rate reset terms can be set for periods of 1, 5, 6, 7, 10, 15 and 20 years. In addition, certain Mortgage Loans have variable interest rates, which is set on a periodic basis with changes effective from the next monthly payment date.

### **Valuation**

Properties relating to Mortgage Loans are required to be valued by an independent qualified appraiser or tax valuer before the loan application is made.

At origination, each Mortgaged Asset relating to a Mortgage Loan is required to be valued not more than 12 months before the application for such loan is made, except in the case of (i) Mortgage Loans of which the Outstanding Principal Amount does not exceed 50 per cent. of the purchase price of the residential property; (ii) a refinancing with a maximum LTFV-ratio of 75 per cent. whereby the Outstanding Principal Amount does not exceed 60 per cent. of the value of the residential property as shown on the assessment notice of the real estate tax authorities ("*WOZ Beschikking*"); (iii) in the case of a refinancing with a maximum LTFV-ratio of 125 per cent. whereby the Outstanding Principal Amount is between 60 per cent. and 80 per cent. of the value of the residential property as shown on the assessment notice by the real estate tax authorities ("*WOZ Beschikking*"); and (iv) Mortgage Loans secured by a mortgage right on newly built properties of which the extra work (contract extras) ("*meerwerk*") does not exceed 15 per cent. of the contract price ("*koop- en aanneemsom*").

### **Risk Insurance Policy**

A Borrower is required to take out a Risk Insurance Policy in respect of Annuity Mortgage Loans and Investment Mortgage Loans if and to the extent that: (i) the Borrower is older than 45 years of age and (ii) the Outstanding Principal Amount of the Mortgage Loan exceeds an amount equal to 75 per cent. of the Foreclosure Value of the Mortgaged Asset. The Risk Insurance Policy should in that case cover at least the difference between 75 per cent. of the Foreclosure Value and the Outstanding Principal Amount of the Mortgage Loan. Borrowers may, but are not required, to take out a Risk Insurance Policy in respect of Interest-only Mortgage Loans as these loans do not exceed 75 per cent. of the appraisal Foreclosure Value. In respect of interest-only Mortgage Loans of up to 90 per cent. of the appraisal Foreclosure Value, the Borrower is required to take out a Risk Insurance Policy in respect of the part exceeding 75 per cent. of the appraisal Foreclosure Value.

### **Lending Criteria**

#### *Minimum and Maximum Amounts*

The minimum amount for a Mortgage Loan is euro 67,500 and, if a Mortgage Loan has more than one repayment component, the minimum amount for each component part of such Mortgage Loan is euro 10,000.

#### *Creditworthiness and Debt-to-Income Ratio ("Woonquote")*

The process of verifying a prospective borrower's creditworthiness is set up to determine whether the prospective borrower has sufficient monthly income available to meet his payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income of a prospective borrower who is an employee is generally conducted by requesting a recent employer's declaration of the borrower, as well as the borrower's salary slip and bank statement to ensure that the information is corresponding. In general, the gross debt service to gross income ratio increases with the borrower's income with the percentage ranging generally between 37.4 per cent. for a salary up to euro 35,000 to 40.2 per cent. for a salary above euro 70,000. In respect of a self-employed applicant, creditworthiness is checked by the Seller's underwriters generally on the basis of annual

accounts, including auditors' reports for the business over the past three years. A director or majority shareholder of a Company (unless otherwise employed) is regarded as self-employed. In respect of certain Mortgage Loans (the "*Voordeelhypotheken*"), the 'woonquote' will not be higher than 40 per cent. in any event. The calculation of the 'woonquote' will be in respect of such Mortgage Loans, made as if the relevant Mortgage Loan is an annuity loan, no matter if the loan is an annuity loan or not.

#### *Self-certification*

Self-certification of the applicant's income applies to two distinct situations. First, self-certification of the current income is allowed for a loan with a loan-to-foreclosure value up to 65 per cent. Second, self-certification of the pension income is allowed for loans with an application for a mortgage loan with a loan-to-foreclosure value up to 75 per cent. for applicants who are over the age of 55.

Self-certification of the borrower's current annual income may be relied upon to satisfy the creditworthiness criteria, but only if the borrower is applying for a mortgage loan with a LTFV-ratio of 65 per cent. or lower. The maximum loan amount in such case is euro 225,000.

Self-certification of the borrower's pension income may be relied upon to satisfy the creditworthiness criteria, but only if the borrower is applying for a mortgage with LTFV-ratio up to 75 per cent. or lower. The borrower should have sufficient current monthly income available to meet his obligations on the requested mortgage loan. The maximum loan amount in such case is euro 350,000.

Further to the protection defined in the loan-to-foreclosure value, other risk mitigators have been defined for both types of self-certification. The Borrower is not allowed to have a negative credit history with any financial institution. Another layer of protection is that the Borrower is not allowed to have any other borrowings with other institutions at the closing date of the loan. The last protection layer is the confirmation by the intermediary that the available income to the Borrower as shown to the intermediary is sufficient to meet the standard affordability test of the Seller.

#### *National Credit Register (BKR)*

A credit check is conducted for every prospective borrower with the BKR in Tiel. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register. See further the paragraph on Self Certified Mortgage Loans in the section Special Considerations above.

#### *Collateral*

With each application, the prospective borrower must send either (i) an original appraisal or "valuation" report ("*taxatierapport*"), which is drawn up by an independent qualified appraiser "*taxateur*" who is registered in one of the approved registers (NRVT "*Nederlands Register van Vastgoed Taxateurs*", CRMT "*Stichting Nederlands Instituut Certificatie en Register Makelaars-Taxateurs Onroerende Zaken*" or SCVM "*Stichting Certificering VBO Makelaars*") or (ii) an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*"). The latter is only allowed if the loan amount is below 80 per cent. of such assessment or if the loan amount is 50 per cent. of the purchase price as mentioned in the purchase deed. For new construction, no valuation is required if the property is built by professional builders. Instead, the financing is based on the stated development costs. For new construction with more than 15 per cent. of additional construction work still to be completed in addition to the initial development costs, an appraisal report is requested. The loan amount is kept in a construction deposit and is only released to the borrower or the construction company upon receipt of invoices.

#### *Loan-to-Foreclosure Value Ratio*

Mortgage Loans are granted up to a maximum of 125 per cent. of the Foreclosure Value. However, if the relevant mortgage loan exceeds an amount equal to 75 per cent. of the Foreclosure Value of the mortgaged property, the borrower may be required to take out a Risk Insurance Policy covering the difference between 75 per cent. of the Foreclosure Value and the principal amount of the mortgage loan. See *Risk Insurance Policy*. The LTFV-ratio of a mortgage is calculated on the Foreclosure Value ("*excecutiewaarde*"), which is the estimated value of the property at an auction, usually about 85 to 90 per cent. of the market value of the property.

Appraisal reports containing the property valuations can only be provided by independent qualified appraisers who are approved by GMAC RFC Nederland and who must not be involved in the relevant transaction.

#### *Other Lending Criteria*

Apart from the principal criteria already mentioned, the following criteria also apply to each mortgage loan: (i) mortgage loans are granted only to individuals, (ii) if there is more than one borrower, there must be joint and several liability for the mortgage receivable and (iii) mortgage loans are only granted on the basis of owner occupancy. As to the procedure applied by the Seller in case of non-compliance by an applicant with any of the underwriting criteria, see *Mortgage Loan Underwriting and Origination* below.

#### **Mortgage pool**

All of the Mortgage Loans met the lending criteria set out above and the other Mortgage Loans Criteria set forth under *Mortgage Receivables Purchase Agreement* (see *Mortgage Loans Criteria*) as of the first day of November 2004. All of the Mortgage Loans forming the mortgage pool were selected on 1 November 2004 and were originated by the Seller between 1 December 2001 to 1 November 2004. For a description of the representations and warranties given by the Seller with respect to the Mortgage Loans, see *Mortgage Receivables Purchase Agreement*.

GMAC RFC Nederland will be acting as MPT Provider in this transaction, but it has outsourced most of the MPT Services to STATER.

The numerical information set out below relates to the mortgage pool which was selected on 1 November 2004. In each table the Weighted Average Coupon ("**WAC**") and the Weighted Average Maturity ("**WAM**") are specified.

*KEY CHARACTERISTICS OF THE MORTGAGE POOL AS OF 1 November 2004  
(ROUNDED DOWN TO THE NEAREST EURO OR PERCENTAGE)*

#### **Summary**

Loan balance	€426,872,688.13
Savings participations	€112,304.71
	<hr/>
Net loan balance	€426,760,383.42
	<hr/> <hr/>
Construction deposits	€13,122,719.15
Number of borrowers	2,810
Number of loan parts	3,978

	<b>(Weighted) average</b>	<b>Minimum</b>	<b>Maximum</b>
Loan size borrower	€151,872	€35,000	€550,000
Loan part size	€107,280	€5,000	€420,000
Coupon	4.32%	2.95%	6.85%
Remaining maturity (months)	349.2	78	360
Remaining interest period (months)	63.6	1	239
Original interest period (months)	66.0	1	240
Seasoning (months)	3.7	0.1	34.6
Loan to Foreclosure Value	76.3%	7.4%	125.0%

## Mortgage Type

Mortgage Type	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
Annuity	1,297,879	0.3%	28	0.7%	46,353	4.72	275.9
Investment account	2,182,425	0.5%	20	0.5%	109,121	4.57	355.6
Savings	7,122,969	1.7%	74	1.9%	96,256	5.19	336.1
Universal Life	62,546,878	14.7%	664	16.7%	94,197	4.38	331.5
Interest Only	344,109,883	80.6%	3,084	77.5%	111,579	4.29	353.5
Life	9,500,349	2.2%	108	2.7%	87,966	4.49	327.8
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>107,280</b>	<b>4.32</b>	<b>349.2</b>

## Interest Term

Interest term	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
1*	120,143,987	28.2%	1,034	26.0%	116,193	3.53	350.1
12	45,991,142	10.8%	439	11.0%	104,763	3.74	349.9
36	—	0.0%	—	0.0%	—	—	—
60	112,978,451	26.5%	1,078	27.1%	104,804	4.55	349.9
84	31,230,183	7.3%	304	7.6%	102,731	4.87	352.1
120	71,217,551	16.7%	700	17.6%	101,739	4.91	346.4
144	—	0.0%	—	0.0%	—	—	—
180	21,526,737	5.0%	207	5.2%	103,994	5.10	344.0
240	23,672,332	5.5%	216	5.4%	109,594	5.21	348.6
360	—	0.0%	—	0.0%	—	—	—
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>107,280</b>	<b>4.32</b>	<b>349.2</b>

(\*) Variable rate loans whose interest rates can be reset each month at the Seller's discretion.

## Current Loan Coupon

Current Loan Coupon	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
0.00% < x <= 3.00%	3,948,594	0.9%	49	1.2%	80,584	2.96	353.8
3.00% < x <= 3.25%	5,760,664	1.3%	81	2.0%	71,119	3.16	347.3
3.25% < x <= 3.50%	64,404,510	15.1%	543	13.7%	118,609	3.46	349.2
3.50% < x <= 3.75%	60,427,083	14.2%	504	12.7%	119,895	3.65	350.8
3.75% < x <= 4.00%	32,691,516	7.7%	311	7.8%	105,117	3.89	349.4
4.00% < x <= 4.25%	15,361,975	3.6%	164	4.1%	93,671	4.15	348.2
4.25% < x <= 4.50%	44,122,327	10.3%	417	10.5%	105,809	4.42	350.1
4.50% < x <= 4.75%	72,575,048	17.0%	680	17.1%	106,728	4.66	349.7
4.75% < x <= 5.00%	56,821,126	13.3%	562	14.1%	101,105	4.89	347.9
5.00% < x <= 5.25%	48,531,158	11.4%	462	11.6%	105,046	5.14	349.8
5.25% < x <= 5.50%	15,685,178	3.7%	146	3.7%	107,433	5.38	341.3
5.50% < x <= 5.75%	4,687,814	1.1%	43	1.1%	109,019	5.62	349.2
5.75% < x <= 6.00%	962,369	0.2%	6	0.2%	160,395	5.87	344.4
6.00% < x	781,021	0.2%	10	0.3%	78,102	6.36	332.5
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>107,280</b>	<b>4.32</b>	<b>349.2</b>

## Interest Reset Date

Interest reset date	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
Variable Rate Loans*	120,143,987	28.2%	1,034	26.0%	116,193	3.53	350.1
02-Oct-2004 – 01-Oct-2005	45,991,142	10.8%	439	11.0%	104,763	3.74	349.9
02-Oct-2005 – 01-Oct-2006	—	0.0%	—	0.0%	—	—	—
02-Oct-2006 – 01-Oct-2007	447,480	0.1%	7	0.2%	63,926	6.22	333.0
02-Oct-2007 – 01-Oct-2008	3,744,618	0.9%	34	0.9%	110,136	4.53	343.1
02-Oct-2008 – 01-Oct-2009	109,020,050	25.5%	1,038	26.1%	105,029	4.55	350.2
02-Oct-2009 – 01-Oct-2010	579,650	0.1%	4	0.1%	144,913	4.77	348.3
02-Oct-2010 – 01-Oct-2011	30,549,567	7.2%	301	7.6%	101,494	4.87	352.3
02-Oct-2011 – 01-Oct-2012	140,672	0.0%	1	0.0%	140,672	5.85	328.0
02-Oct-2012 – 01-Oct-2013	2,717,977	0.6%	25	0.6%	108,719	5.14	328.4
02-Oct-2013 – 01-Oct-2014	68,226,171	16.0%	672	16.9%	101,527	4.89	347.2
02-Oct-2014 – 01-Oct-2015	—	0.0%	—	0.0%	—	—	—
02-Oct-2015 – 01-Oct-2016	—	0.0%	—	0.0%	—	—	—
02-Oct-2016 – 01-Oct-2017	—	0.0%	—	0.0%	—	—	—
02-Oct-2017 – 01-Oct-2018	901,271	0.2%	8	0.2%	112,659	5.27	348.2
02-Oct-2018 – 01-Oct-2019	20,625,467	4.8%	199	5.0%	103,646	5.10	343.8
02-Oct-2019 – 01-Oct-2020	—	0.0%	—	0.0%	—	—	—
02-Oct-2020 – 01-Oct-2021	—	0.0%	—	0.0%	—	—	—
02-Oct-2021 – 01-Oct-2022	133,625	0.0%	2	0.1%	66,812	6.85	302.7
02-Oct-2022 – 01-Oct-2023	95,000	0.0%	1	0.0%	95,000	5.10	347.0
02-Oct-2023 – 01-Oct-2024	23,443,707	5.5%	213	5.4%	110,064	5.21	348.8
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>107,280</b>	<b>4.32</b>	<b>349.2</b>

(\*) Variable rate loans whose interest rates can be reset each month at the Seller's discretion.

## Start Date

Start Date	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
01-Nov-2001 – 31-Dec-2001	132,731	0.0%	2	0.1%	66,365	6.15	326.0
01-Jan-2002 – 28-Feb-2002	374,369	0.1%	2	0.1%	187,184	5.91	328.0
01-Mar-2002 – 30-Apr-2002	128,105	0.0%	2	0.1%	64,052	5.70	329.0
01-May-2002 – 30-Jun-2002	120,252	0.0%	1	0.0%	120,252	3.70	332.0
01-Jul-2002 – 31-Aug-2002	281,125	0.1%	5	0.1%	56,225	6.43	318.6
01-Sep-2002 – 31-Oct-2002	171,875	0.0%	2	0.1%	85,938	6.75	336.0
01-Nov-2002 – 31-Dec-2002	—	0.0%	—	0.0%	—	—	—
01-Jan-2003 – 28-Feb-2003	183,750	0.0%	1	0.0%	183,750	4.35	303.0
01-Mar-2003 – 30-Apr-2003	416,100	0.1%	4	0.1%	104,025	4.44	337.5
01-May-2003 – 30-Jun-2003	490,944	0.1%	4	0.1%	122,736	3.93	335.3
01-Jul-2003 – 31-Aug-2003	256,000	0.1%	2	0.1%	128,000	4.15	346.0
01-Sep-2003 – 31-Oct-2003	5,337,044	1.3%	43	1.1%	124,117	4.59	340.5
01-Nov-2003 – 31-Dec-2003	5,121,063	1.2%	49	1.2%	104,511	4.42	338.8
01-Jan-2004 – 29-Feb-2004	7,318,522	1.7%	81	2.0%	90,352	4.46	344.8
01-Mar-2004 – 30-Apr-2004	40,476,686	9.5%	356	8.9%	113,699	4.01	346.2
01-May-2004 – 30-Jun-2004	101,092,901	23.7%	945	23.8%	106,977	4.35	348.0
01-Jul-2004 – 31-Aug-2004	141,012,990	33.0%	1,311	33.0%	107,561	4.38	349.7
01-Sep-2004 – 31-Oct-2004	123,845,925	29.0%	1,168	29.4%	106,032	4.30	351.9
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>107,280</b>	<b>4.32</b>	<b>349.2</b>

## Legal Maturity Date

Legal maturity date	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
01-Oct-2004 – 31-Dec-2012	296,448	0.1%	8	0.2%	37,056	4.12	83.4
01-Jan-2013 – 31-Dec-2013	124,794	0.0%	1	0.0%	124,794	5.35	108.0
01-Jan-2014 – 31-Dec-2014	505,793	0.1%	6	0.2%	84,299	4.12	116.3
01-Jan-2015 – 31-Dec-2015	17,568	0.0%	2	0.1%	8,784	4.23	128.0
01-Jan-2016 – 31-Dec-2016	207,183	0.0%	5	0.1%	41,437	4.64	142.6
01-Jan-2017 – 31-Dec-2017	369,047	0.1%	6	0.2%	61,508	4.71	153.8
01-Jan-2018 – 31-Dec-2018	188,220	0.0%	3	0.1%	62,740	4.76	165.2
01-Jan-2019 – 31-Dec-2019	1,911,615	0.4%	22	0.6%	86,892	4.48	176.5
01-Jan-2020 – 31-Dec-2020	502,595	0.1%	6	0.2%	83,766	4.21	187.8
01-Jan-2021 – 31-Dec-2021	473,690	0.1%	8	0.2%	59,211	4.63	201.6
01-Jan-2022 – 31-Dec-2022	657,903	0.2%	11	0.3%	59,809	4.61	212.7
01-Jan-2023 – 31-Dec-2023	668,041	0.2%	11	0.3%	60,731	4.48	226.3
01-Jan-2024 – 31-Dec-2024	4,374,133	1.0%	54	1.4%	81,002	4.23	236.9
01-Jan-2025 – 31-Dec-2025	1,244,685	0.3%	16	0.4%	77,793	4.32	249.5
01-Jan-2026 – 31-Dec-2026	1,814,130	0.4%	23	0.6%	78,875	4.33	260.6
01-Jan-2027 – 31-Dec-2027	2,274,699	0.5%	28	0.7%	81,239	4.56	273.3
01-Jan-2028 – 31-Dec-2028	2,456,193	0.6%	30	0.8%	81,873	4.34	285.0
01-Jan-2029 – 31-Dec-2029	6,573,852	1.5%	74	1.9%	88,836	4.38	296.9
01-Jan-2030 – 31-Dec-2030	3,355,149	0.8%	32	0.8%	104,848	4.56	309.2
01-Jan-2031 – 31-Dec-2031	9,289,865	2.2%	90	2.3%	103,221	4.31	321.0
01-Jan-2032 – 31-Dec-2032	4,136,121	1.0%	47	1.2%	88,003	4.82	331.6
01-Jan-2033 – 31-Dec-2033	9,561,139	2.2%	84	2.1%	113,823	4.45	347.1
01-Jan-2034 – 31-Dec-2034	375,757,521	88.0%	3,411	85.7%	110,161	4.31	357.1
01-Jan-2035 – 31-Dec-2035	—	0.0%	—	0.0%	—	—	—
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>107,280</b>	<b>4.32</b>	<b>349.2</b>

## Loan to Foreclosure Value

Loan to Foreclosure Value*	Amount (€)	Percentage of total	Number of loan parts	Percentage of total	Average loan parts (€)	WAC (%)	WAM (months)
0% < x < = 50%	65,855,730	15.4%	705	17.7%	93,412	4.32	349.5
5% < x < = 55%	23,137,705	5.4%	221	5.6%	104,695	4.29	348.1
55% < x < = 60%	55,383,178	13.0%	462	11.6%	119,877	4.20	351.5
60% < x < = 65%	108,695,833	25.5%	844	21.2%	128,787	4.16	354.2
65% < x < = 70%	8,569,983	2.0%	82	2.1%	104,512	4.58	339.6
70% < x < = 75%	20,335,549	4.8%	163	4.1%	124,758	4.58	351.1
75% < x < = 80%	3,010,822	0.7%	30	0.8%	100,361	4.49	338.6
80% < x < = 85%	4,046,948	0.9%	51	1.3%	79,352	4.48	338.3
85% < x < = 90%	6,216,050	1.5%	65	1.6%	95,632	4.57	342.4
90% < x < = 95%	5,544,563	1.3%	67	1.7%	82,755	4.25	338.0
95% < x < = 100%	10,573,707	2.5%	121	3.0%	87,386	4.48	337.3
100% < x < = 105%	3,775,699	0.9%	41	1.0%	92,090	4.59	341.0
105% < x < = 110%	9,457,158	2.2%	100	2.5%	94,572	4.43	340.6
110% < x < = 115%	11,838,221	2.8%	125	3.1%	94,706	4.50	341.8
115% < x < = 120%	21,883,221	5.1%	219	5.5%	99,923	4.45	346.3
120% < x < = 125%	68,436,015	16.0%	682	17.1%	100,346	4.44	348.3
125% < x	—	0.0%	—	0.0%	—	—	—
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>107,280</b>	<b>4.32</b>	<b>349.2</b>

\* Loan – to – Foreclosure Value equals current borrower's aggregate outstanding loan balance divided by the original foreclosure value.

## Province

Province	Amount (€)	Percentage of total	Number of loans	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
Groningen	14,201,376	3.3%	104	3.7%	136,552	4.17	346.0
Friesland	17,776,385	4.2%	118	4.2%	150,647	4.07	350.1
Drenthe	14,465,174	3.4%	98	3.5%	147,604	4.19	349.6
Overijssel	31,057,690	7.3%	207	7.4%	150,037	4.18	350.9
Gelderland	44,278,014	10.4%	290	10.3%	152,683	4.33	351.0
Zuid-Holland	76,269,337	17.9%	503	17.9%	151,629	4.43	346.7
Limburg	20,743,196	4.9%	143	5.1%	145,057	4.28	347.5
Noord-Holland	66,183,120	15.5%	428	15.2%	154,633	4.32	350.6
Utrecht	32,126,086	7.5%	197	7.0%	163,077	4.40	351.5
Noord-Brabant	71,878,268	16.8%	478	17.0%	150,373	4.34	347.2
Zeeland	8,766,914	2.1%	63	2.2%	139,157	4.35	351.8
Flevoland	14,576,555	3.4%	94	3.3%	155,070	4.29	349.7
Unspecified*	14,438,269	3.4%	87	3.1%	165,957	4.48	353.3
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>2,810</b>	<b>100.0%</b>	<b>151,872</b>	<b>4.32</b>	<b>349.2</b>

\* All unspecified loans relate to newly constructed properties which have not been assigned a post code.



## Property Type

Property type	Amount (€)	Percentage of total	Number of loans	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
Single family house	369,915,349	86.7%	2,378	84.6%	155,557	4.32	348.6
Condominium	50,963,625	11.9%	397	14.1%	128,372	4.36	352.7
Shop / house	526,422	0.1%	4	0.1%	131,606	5.19	349.3
Farm house	5,354,987	1.3%	31	1.1%	172,742	4.06	354.9
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>2,810</b>	<b>100.0%</b>	<b>151,872</b>	<b>4.32</b>	<b>349.2</b>

## Aggregate Remaining Balance

Aggregate Net Balance (net balance)*	Amount (€)	Percentage of total	Number of loans	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
0 < x <= 100,000	54,777,083	12.8%	664	23.6%	82,496	4.40	348.8
100,000 < x <= 150,000	110,415,349	25.9%	867	30.9%	127,353	4.30	349.6
150,000 < x <= 200,000	123,762,688	29.0%	709	25.2%	174,560	4.28	348.5
200,000 < x <= 250,000	91,583,877	21.5%	413	14.7%	221,753	4.24	350.5
250,000 < x <= 300,000	31,941,626	7.5%	117	4.2%	273,005	4.53	348.6
300,000 < x <= 350,000	6,518,446	1.5%	20	0.7%	325,922	4.54	342.4
350,000 < x <= 400,000	5,529,940	1.3%	15	0.5%	368,663	4.76	349.9
400,000 < x <= 450,000	1,681,375	0.4%	4	0.1%	420,344	4.43	343.5
450,000 < x <= 500,000	—	0.0%	—	0.0%	—	—	—
500,000 < x <= 550,000	550,000	0.1%	1	0.0%	550,000	5.20	360.0
550,000 < x	—	0.0%	—	0.0%	—	—	—
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>2,810</b>	<b>100.0%</b>	<b>151,872</b>	<b>4.32</b>	<b>349.2</b>

\* Aggregate remaining balance (net balance) for a borrower equals the aggregate of all the outstanding loan balances for that borrower minus any savings value which is part of the Savings Sub-Participation Agreement.

## Construction Deposits

Construction deposits	Amount (€)	Percentage of total	Number of loans	Percentage of total	Average loan size (€)	WAC (%)	WAM (months)
None	386,302,884	90.52%	2,574	91.6%	150,079	4.31	348.9
0 < x <= 500	5,282,168	1.2%	33	1.2%	160,066	4.36	353.5
500 < x <= 5,000	3,487,666	0.8%	17	0.6%	205,157	4.56	343.6
5,000 < x <= 10,000	2,902,479	0.7%	21	0.7%	138,213	4.55	343.5
10,000 < x <= 15,000	3,974,440	0.9%	26	0.9%	152,863	4.30	348.6
15,000 < x <= 20,000	1,874,400	0.4%	10	0.4%	187,440	4.67	357.4
20,000 < x <= 25,000	1,838,225	0.4%	12	0.4%	153,185	4.21	358.7
25,000 < x <= 30,000	1,774,043	0.4%	10	0.4%	177,404	4.32	353.6
30,000 < x <= 35,000	1,638,631	0.4%	10	0.4%	163,863	4.73	351.9
35,000 < x <= 40,000	866,500	0.2%	4	0.1%	216,625	4.40	358.0
40,000 < x <= 45,000	1,218,412	0.3%	7	0.2%	174,059	4.82	358.2
45,000 < x <= 50,000	640,667	0.2%	4	0.1%	160,167	4.16	356.3
50,000 < x <= 55,000	204,710	0.0%	1	0.0%	204,710	3.35	331.6
55,000 < x <= 60,000	175,000	0.0%	1	0.0%	175,000	5.35	352.0
60,000 < x <= 65,000	625,000	0.1%	3	0.1%	208,333	4.23	358.4
65,000 < x <= 70,000	555,570	0.1%	3	0.1%	185,190	4.17	356.9
70,000 < x <= 75,000	813,214	0.2%	5	0.2%	162,643	4.76	357.9
75,000 < x	12,586,374	2.9%	69	2.5%	182,411	4.49	353.4
<b>Total</b>	<b>426,760,383</b>	<b>100.0%</b>	<b>2,810</b>	<b>100.0%</b>	<b>151,872</b>	<b>4.32</b>	<b>349.2</b>

## MORTGAGE LOAN UNDERWRITING AND ORIGINATION

### *Underwriting*

The underwriting rules for mortgage loans originated by GMAC RFC Nederland typically include, but are not limited to, the following aspects:

- Collateral requirements such as form of appraisal report, type of collateral;
- Advance rates;
- Amount of debt that can be advanced against the borrower's monthly income and definition of income for the purposes of this calculation, as well as minimum required income level;
- Additional security requirements relating to risk insurance and capital insurance and repayment form; and
- In accordance with the Code of Conduct of Mortgage Loans ("*Gedragcode Hypothecaire Financieringen*").

In partnership with HNC Software Inc., STATER has introduced an automated lending decision management system ("**Capstone**"), which is used by GMAC RFC Nederland in the origination of the mortgage loans. Capstone uses a rule based system to regulate the underwriting process. In addition, it acts to accelerate the processing time of decisions on a loan application.

### *Origination process: outsourced Final Credit Approval*

Loan application forms are submitted to applicants electronically, by mail or by fax via an intermediary, such as a mortgage adviser, insurance agent or real estate broker. The information received on the loan application is then entered into the STATER Mortgage System ("**SHS**") by the intermediaries. SHS automatically collects information about the applicant from the BKR. After the application data have been entered into SHS, the application is evaluated by Capstone which is part of SHS. Each application is automatically evaluated by reference to the underwriting criteria of GMAC RFC Nederland. In case of a violation of the underwriting criteria, Capstone generates a STOP-rule, and a loan offer will not be generated by the system. In such instance the intermediary will contact GMAC RFC Nederland and the loan offer may be generated only after written consent (overrule) by GMAC RFC Nederland.

If the loan is accepted, the intermediary can produce a loan offer. Once the offer has been accepted by the applicant, the intermediary collects the signed offer and all required loan documents, which will be reviewed by way of the Final Credit Approval ("**FCA**"). After completion of the loan file, the loan file is scanned onto HYARCHIS (mortgage archive system), which is connected to SHS. The loan file is then available online. FCA is done in two stages. Before scanning the authenticity of all original documents is assessed. After scanning, FCA is completed.

The FCA includes, amongst other things, a review of evidence of the applicant's income (except in cases of self-certification, in which case GMAC RFC Nederland requires the applicant to state, but not provide evidence of, his income), the sales contract, appraisal report and insurance application, if applicable.

GMAC RFC Nederland has outsourced FCA to STATER's front office, DBV and one intermediary accounting for 85 per cent. of all applications.

### *Origination process: front office*

Loan application forms are submitted to applicants electronically, by mail or fax via an intermediary, such as a mortgage adviser, insurance agent or real estate broker. The information received on the loan application is then entered into the GMAC Application Management System ("**GAMS**"). GAMS is a pre-qualification decision tool which generates a positive or negative decision based on the underwriting criteria of GMAC RFC Nederland. Only a positive decision generates a Mortgage Data Network message ("**HDN message**"). A HDN message is automatically sent to SHS, which automatically collects information about the applicant from the HDN message. After the application data have been entered into SHS, the application is evaluated by Capstone, which is part of SHS. Each application is automatically evaluated upon the underwriting criteria of GMAC RFC Nederland. In case of violation of the underwriting criteria Capstone generates a STOP-rule. If there is a STOP, a loan offer will not be generated by the system. In such instance the intermediary will contact GMAC RFC Nederland and the loan offer may be generated only after written consent (overrule) by GMAC RFC Nederland.

If the loan is accepted, GMAC RFC Nederland's front office can produce a loan offer. Once the offer has been accepted by the applicant, the intermediary collects the signed offer and all required loan documents, which will be reviewed by way of the FCA. The FCA includes, amongst other things, a review of evidence of the applicant's income (except in cases of self-certification, in which case GMAC RFC Nederland requires the applicant to state, but not provide evidence of, his income), the sales contract, appraisal report and insurance application, if applicable. After FCA, the loan file is scanned onto HYARCHIS (mortgage archive system), which is connected to SHS. The loan file is then available online.

GMAC RFC Nederland's own front office is responsible for FCA of 15 per cent. of all applications.

#### *Closing of the loan*

After FCA and acceptance of the loan, information for the notary is automatically generated and sent out to the notary. Based on this information the notary can create the mortgage deed. Each mortgage loan is secured by a first priority mortgage in the form of a notarial deed. The borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The notary on origination formally checks this requirement. All the original deeds are stored by the notary and are registered with the central registry (the "*Kadaster*"). After scanning of the completed loan files, GMAC RFC Nederland keeps the original paper file.

## **ADMINISTRATION OF THE MORTGAGE LOANS**

### **Mortgage Administration**

All Mortgage Loans are administered and serviced by GMAC RFC Nederland in its capacity as the MPT Provider.

The MPT Provider will provide mortgage payment transactions and other services to and on behalf of the Issuer on a day-to-day basis in relation to the Mortgage Loans. The duties of the MPT Provider include the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans and the implementation of arrears procedures including the enforcement of the Mortgages.

In accordance with the Issuer Services Agreement, the MPT Provider will appoint STATER as its sub-agent to carry out the activities described above, except for the implementation of arrears procedures, which will be taken care of by the MPT Provider, upon the terms and provisions of and in accordance with the Issuer Services Agreement and the sub contract entered into between the MPT Provider and STATER in respect of the Mortgage Receivables. STATER will accept this appointment and will commit itself, in favor of the Issuer, to carry out the activities subject to and on the terms provided in the Issuer Services Agreement and the sub contract. The Issuer and the Security Trustee will consent to the appointment of STATER as sub-agent.

### *Collections*

All monthly payments of principal and interest on the Mortgage Loans are collected from Borrowers by direct debit. STATER is mandated by the MPT Provider to draw the monthly payments from the Borrower's bank account directly onto the Seller Collection Account. SHS automatically collects the payments on the day before the last business day of each month. Payment information is monitored daily by personnel in STATER's arrears department.

### *Arrears procedure*

Every day SHS detects and keeps track of arrears and all relevant data are provided by STATER to GMAC RFC Nederland and implemented in their Credit Management System. Within two weeks after the first missing payment by a Borrower, the relevant Borrower is called and urged to pay. In general, if the MPT Provider fails to contact the Borrower at any time, the MPT Provider will try to contact the employer, intermediary, real estate agent or other parties.

At the same time, a first reminder letter is sent to the Borrower. If the Borrower does not pay or react within the set time in the first reminder letter or within two weeks after the first reminder letter was sent, the Borrower is phoned again and sent a second reminder letter, with a more severe tone and content. Reminder letters specify the penalty interest charged.

Four weeks after the Borrower misses the first payment, the MPT Provider sends a summons on behalf of a bailiff. At this point, the following information is gathered: detailed information regarding the Borrower's current income, financial situation and monthly expenditures, a recent property revaluation report and a BKR check. At the same time, a writ is served. Using the gathered information, an assessment of the recovery possibilities or solutions is made. The third reminder letter is sent approximately during the fifth week in delinquency and notifies the Borrower that the Mortgage Loan is reclaimed and measures for collecting the outstanding payment will be taken, including salary garnishment and the attachment of bank accounts. Again, the Borrower is called and urged to pay.

After an assessment of financial condition, each loan will be treated and assessed on an individual basis, meaning the MPT Provider will seek the best solution available, including alternative solutions to foreclosure. At this point all relevant Borrowers are urged to pay at once or on a payment schedule. Borrowers may also propose to sell the property at any time through private sale. The MPT Provider may accept a private sale if (a) revenues from the sale are expected to cover the outstanding debt in full or (b) it is estimated that the costs of the foreclosure process will result in a lower recovery value than a private sale.

A further alternative is that the MPT Provider takes over the sale process with a mandate from the Borrower. In the third arrears letter, the MPT Provider encloses a power of attorney, which the Borrower must sign. A signed power of attorney allows the MPT Provider to start a private sale on behalf of the Borrower.

As a rule, a private sale is a preferable option to foreclosure as usually, the proceeds from a private sale fully cover GMAC RFC Nederland's claims. If the proceeds do not fully cover GMAC

RFC Nederlands' claims, the outstanding amount still has to be paid by the Borrower (see *Administration of the Mortgage Loans – Outstanding Amounts*).

After four consecutive months of delinquency, the BKR is notified. GMAC RFC Nederland works in accordance with the Code of Conduct of Mortgage Loans ("*Gedragcode Hypothecaire Financieringen*"),

#### *Construction deposit*

When a loan with a home improvement construction deposit becomes delinquent, all construction amounts are frozen, meaning that payment from the construction deposit to the borrower is not allowed. Only upon repayment of all delinquent amounts will the construction amount be released.

#### *Foreclosure process*

GMAC RFC Nederland has the right to publicly sell (auction) the mortgaged property if the Borrower fails to fulfill its obligations and no other solutions are reached. GMAC RFC Nederland has, as a first ranking mortgagee, an "executorial title" which means that it does not have to obtain permission prior to foreclosure on the mortgaged property. If the proceeds from the sale (auction) of the mortgaged property do not fully cover GMAC RFC Nederland's claims, GMAC RFC Nederland may sell any pledged associated life insurance or investment deposit. However, Netherlands law requires that before a lender may foreclose on a Borrower's mortgaged property, the Borrower must be notified in writing that it is in default and it must also be given reasonable time to comply with the lender's claims.

In the case of a Borrower's bankruptcy, GMAC RFC Nederland may foreclose on the Borrower's Mortgaged Asset as if there was no bankruptcy. Nevertheless, the execution must take place within a reasonable time. Otherwise the bankruptcy trustee may take over execution measures. If this occurs, GMAC RFC Nederland will be obliged to contribute to the bankruptcy costs.

If GMAC RFC Nederland wants to sell the mortgaged property, it is required to notify the parties directly involved, including the Borrower as well as the person owning the asset (in the event that these are not the same parties). The notification must include the amount outstanding and the expenses incurred to date as well as the name of the civil notary responsible for the foreclosure sale.

GMAC RFC Nederland calculates the best method of maximizing the sale value of the mortgaged property. Based on the outcome of this calculation, GMAC RFC Nederland may decide that the property should be sold either in a private sale or by public auction. A private sale can, if the legal requirements are fulfilled, and often does, replace a public auction. When foreclosure notification is made by GMAC RFC Nederland, formal instructions are given to the civil notary where the property is located. The date of the sale will be set by the civil notary within, in principle, three weeks of this instruction and will usually be about six weeks after the decision to foreclose has been made (depending on the region and the number of other foreclosures currently being handled by the relevant district court).

The manner in which the proceeds from the sale are divided depends on whether there is only one mortgage holder or several. If there is only one mortgage holder, the proceeds will be passed on to the mortgage holder after deducting the costs of the execution. In the case of more than one mortgage holder, the division of the proceeds takes place according to the priority of the mortgages.

In general, it takes approximately two months to foreclose on a property once the decision to foreclose has been made. Throughout the foreclosure process, GMAC RFC Nederland follows guidelines set down by Netherlands law, the Code of Conduct of Mortgage Loans and the BKR.

#### *Outstanding amounts*

If amounts are still outstanding after the foreclosure process or after the sale of the property has been completed, GMAC RFC Nederland continues to manage the remaining receivables. These amounts still have to be repaid by the Borrower, if possible, a settlement agreement will be entered into between the Borrower and GMAC RFC Nederland. In the event a Borrower does not comply with a settlement agreement or does not wish to cooperate with GMAC RFC Nederland on finding a solution to repay the unpaid amounts, other measures can be taken. These measures include the engagement of a bailiff and the appointment of an attorney to levy an attachment over the Borrower's salary as permitted by Netherlands law.

## **STATER NEDERLAND B.V.**

STATER Nederland B.V. is the leading independent, third party provider of mortgage payment transactions with regard to residential mortgages in the Netherlands. The activities are provided in a completely automated and paperless electronic format. STATER has pioneered the use of technology through its E-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

STATER started its activities on 1 January 1997. The combination of technology and experience in originating and providing activities consisting of mortgage payment transactions and ancillary activities with regard to residential mortgage loans in the Netherlands has led to a market share of more than 30 per cent in 2003. STATER provides mortgage payment transactions with regard to a total of EUR 62,8 billion and approximately 450,000 mortgage loans. STATER is a 100 per cent subsidiary of STATER N.V., of which the shares are held for 60 per cent. by ABN AMRO Bank N.V. and for the remainder by (a subsidiary of) ABN AMRO Bouwfonds Nederlandse Gemeenten N.V.

STATER provides an origination system that includes automated underwriting, allowing loan funders to specify underwriting criteria for each loan pool. A credit-scoring model and a fraud detection system form part of automated underwriting.

In the securitisation process, STATER is able to identify specific loan pools based on underwriting criteria as instructed by its clients and provides the Issuer Administrator access to pool performance and information. Finally, STATER provides detailed investor reports regarding pool status on a consistent basis.

The STATER computer system, for which STATER also provides back-up facilities, is regularly updated and modified.

## MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and, on the Closing Date, accept from the Seller the assignment of the Mortgage Receivables by means of a deed of assignment which will be registered with the tax authorities, as a result of which legal title to the Mortgage Receivables will be transferred to the Issuer. It is a condition of the Issuer for the purchase and acceptance of the assignment of the Mortgage Receivables that any Beneficiary Rights, to the extent legally possible and required, are assigned to the Issuer together with such Mortgage Receivables. The Seller has agreed to assign such Beneficiary Rights to the Issuer and the Issuer has agreed to accept such assignment. Following such assignment, the Issuer will be entitled to all proceeds in respect of the Mortgage Receivables as of the first day of November 2004. The assignment of the Mortgage Receivables from the Seller to the Issuer will not be notified to the Borrowers, except upon the occurrence of an Assignment Notification Event as further described below. Until such notification the Borrowers will only be entitled to validly make payments (*'bevrjidend betalen'*) to the Seller. The Seller (or a third party on its behalf) will pay to the Issuer on a monthly basis all proceeds received during the immediately preceding Mortgage Calculation Period in respect of the Mortgage Receivables.

### Purchase Price

The purchase price for the Mortgage Receivables will consist of the Initial Purchase Price which will be payable on the Closing Date or, in respect of the New Mortgage Receivables and Further Advance Receivables, on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, as the case may be, and the Deferred Purchase Price. Part of the Initial Purchase Price will be withheld by the Issuer and will be deposited in the Construction Account. The Deferred Purchase Price will be equal to the sum of all Deferred Purchase Price Instalments.

### Representations and Warranties

The Seller will represent and warrant on the Closing Date with respect to the Mortgage Loans and the Mortgage Receivables that on 1 November 2004, *inter alia*:

- (1) The Mortgage Receivables are duly and validly existing.
- (2) Each Mortgage Loan was originated by the Seller.
- (3) Each of the Mortgage Loans conforms to the Mortgage Loans Criteria in all material respects.
- (4) The Seller has full right and title ("*titel*") to the Mortgage Receivables and no restrictions on the sale and assignment of the Mortgage Receivables are in effect and the Mortgage Receivables are capable of being assigned.
- (5) The Seller has the power ("*is beschikkingsbevoegd*") to sell and assign the Mortgage Receivables.
- (6) The Mortgage Receivables are free and clear of any rights of pledge or other or similar rights ("*bepaalde rechten*"), encumbrances and attachments ("*beslagen*") and no rights have been granted in favour of any third party with regard to the acquisition or encumbrances in respect of the Mortgage Receivables, other than a right of pledge which will be released prior to the Closing Date.
- (7) The Mortgage Loans and the Mortgage Conditions comply in all material respects with the laws of the Netherlands applicable thereto, including mortgage credit and consumer protection legislation.
- (8) Each Mortgage Receivable is secured by a mortgage right ("*hypothekrecht*") on a Mortgaged Asset located in the Netherlands and is governed by Netherlands law.
- (9) All Mortgages and Borrower Pledges (i) constitute valid mortgage rights ("*hypothekrechten*") and rights of pledge ("*pandrechten*") respectively on the assets which are the subject of the Mortgages and the Borrower Pledges, as applicable, and, to the extent relating to the Mortgages, have been entered into the appropriate public register ("*Dienst van het Kadaster en de Openbare Registers*"); (ii) have first priority ("*eerste in rang*") or, as the case may be, first and one or more sequential lower ranking priority in favour of the Seller; and (iii) were vested to secure the repayment of an Outstanding Principal Amount which at least equals the Outstanding Principal

Amount at origination, increased with interest, penalties, costs and any damages together up to an amount equal to 140 per cent. of the Outstanding Principal Amount at origination.

- (10) Each Mortgage Receivable, the Mortgage and the Borrower Pledge securing such receivable, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the Seller, except for any limitation on enforceability due to applicable bankruptcy or insolvency laws.
- (11) Upon creation of each mortgage right, the Seller was granted the right to unilaterally terminate such mortgage right in whole or in part, and such right has not been revoked, terminated or amended.
- (12) The Mortgage Deeds contain the provision that the Mortgages and the Borrower Pledges will partially follow, *pro rata*, the Mortgage Receivables upon their assignment or pledge.
- (13) At origination, each Mortgaged Asset was valued by an independent qualified surveyor or tax valuer not more than 12 months before application for a Mortgage Loan was made, except in the case of (i) Mortgage Loans of which the Outstanding Principal Amount does not exceed 50 per cent. of the purchase price of the Mortgaged Asset; (ii) in the case of a refinancing with a maximum LTFV-ratio of 75 per cent. where the Outstanding Principal Amount does not exceed 60 per cent. of the value of the residential property as shown on the assessment notice of the real estate tax authorities ("*WOZ Beschikking*"); (iii) in case of a refinancing with a maximum LTFV-ratio of 125 per cent. whereby the Outstanding Principal Amount is between 60 per cent. and 80 per cent. of the value of the Mortgaged Asset as shown on the assessment notice by the real estate tax authorities ("*WOZ Beschikking*"); and (iv) Mortgage Loans secured by a mortgage right on newly built properties with less than 15 per cent. additional work ("*meerwerk*") (see *Description of Mortgage Loans*).
- (14) The maximum Outstanding Principal Amount of each Mortgage Loan did not, upon its origination and on the Closing Date, exceed (a) in the case of an appraisal report by an independent qualified appraiser 125 per cent. of (i) the original Foreclosure Value ("*executiewaarde*") or (ii) the construction costs ("*stichtingskosten*") divided by 1.2 and multiplied by 1.05 in case of newly built property financed by a mortgage loan with a construction deposit, or (b) in case of a tax assessment ("*WOZ waarde*") of the mortgaged property 80 per cent. of such value.
- (15) Each Mortgage Loan has been granted to a Borrower in accordance with all applicable legal requirements prevailing at the time of origination in all material respects and each Mortgage Loan meets in all material respects the standard underwriting criteria and procedures of the Seller, including Borrower income requirements, prevailing at the time of origination.
- (16) The Borrowers have been committed in the Mortgage Conditions to take out a building insurance policy ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*") at the time the relevant Mortgage Loan was advanced.
- (17) Other than the aggregate Construction Amounts under construction mortgage loans ("*bouwhypotheken*"), all Mortgage Loans have been fully disbursed.
- (18) Payments in respect of the Mortgage Loans are made in arrear in monthly instalments by direct debit.
- (19) The aggregate Outstanding Principal Amount was equal to euro 426,872,688.
- (20) The amount held in respect of all Mortgage Loans in deposit with respect to premia and interest payments ("*rente- en premiedepots*") did not exceed the amount of euro 550,000.
- (21) The notarial mortgage deeds ("*minuut*") relating to the mortgage rights are kept by a civil law notary at the time of execution of the deed and the Seller is not aware that such notarial mortgage deeds are not kept by a civil law notary in the Netherlands, while the loan files, which include authenticated copies of the notarial mortgage deeds, and which loan files could be in electronic form are kept by or to the order of the Seller or, as the case may be, the Issuer or the Security Trustee.



- (22) To the best knowledge of the Seller, the Borrowers are not in any material breach of any provision of their Mortgage Loans.
- (23) The Mortgage Conditions provide that all payments by the Borrower should be made without any deduction or set-off.
- (24) Each Mortgage Loan constitutes the entire loan granted to the relevant Borrower that is secured by the Mortgage and not merely one or more loan parts ("*leningdelen*").
- (25) The aggregate Construction Amounts did not exceed the amount of euro 13,122,719.
- (26) The particulars of each Mortgage Receivable, as set forth in the list of Mortgage Receivables (i) attached to the Mortgage Receivables Purchase Agreement to the Deed of Assignment to be signed on the Closing Date and (ii) to be deposited with the civil-law notary, are true, correct and complete in all material respects.
- (27) All Mortgage Receivables secured by a Mortgage on a long lease ("*erfpacht*") provide that the Outstanding Principal Amount, including interest, will become immediately due and payable if the long lease terminates, if the leaseholder materially breaches or ceases to perform its payment obligation under the long lease ("*canon*") or if the leaseholder in any other manner breaches the conditions of the long lease.
- (28) The Seller has no Other Claim(s) vis-à-vis any Borrower.

### **Repurchase of Mortgage Receivables**

If at any time after the Closing Date any of the representations and warranties relating to the Mortgage Loans and the Mortgage Receivables proves to have been untrue or incorrect in any material respect, the Seller will within 14 days of having knowledge of such breach or receipt of written notice thereof from the Issuer or the Security Trustee remedy the matter giving rise thereto and if such matter is not capable of remedy or is not remedied within those 14 days, the Seller will repurchase and accept re-assignment of the Mortgage Receivable for a price equal to the relevant Outstanding Principal Amount together with interest accrued up to but excluding the date of purchase and re-assignment of the Mortgage Receivable.

The Seller will undertake to repurchase and accept re-assignment of a Mortgage Receivable if it agrees with a Borrower to amend the terms of the relevant Mortgage Loan and as a result thereof the relevant Mortgage Loan no longer meets each of the Mortgage Loans Criteria and the representations and warranties of the Mortgage Receivables Purchase Agreement or if such amendment, as a result, changes the maturity date of the loan, the interest rate (other than as a result of an interest reset) or monthly payment amount (other than as a result of an interest reset).

Furthermore, the Seller will undertake to repurchase and accept re-assignment of a Mortgage Receivable if a Further Advance is granted and the Mortgage Receivable together with the Further Advance Receivable no longer meets the Mortgage Loans Criteria.

Besides this, the Seller will undertake to repurchase and accept re-assignment of a Mortgage Receivable, a New Mortgage Receivable or a Further Advance Receivable, if the relevant Borrower fails to pay the first interest instalment due in respect thereof.

In addition, the Seller will undertake to repurchase and accept re-assignment of a Mortgage Receivable, if it obtains an Other Claim vis-à-vis the Borrower or such Mortgage Receivable on the Mortgage Payment Date immediately succeeding the day such Other Claim is obtained.

Finally, the Seller may, at its option and its sole discretion, repurchase and accept re-assignment of any Delinquent Mortgage Receivable on the Mortgage Payment Date falling in the Quarterly Calculation Period immediately following the Quarterly Calculation Period in which the relevant Mortgage Receivable has become a Delinquent Mortgage Receivable.

Moreover, the MPT Provider may, at its option and its sole discretion, repurchase and accept re-assignment of Excess Mortgage Receivables on a Quarterly Payment Date for a price equal the aggregate Outstanding Principal Amount, increased with accrued but unpaid interest thereon up to the relevant Quarterly Payment Date. At the request of the relevant Hedging Counterparty, the Issuer will stipulate as a condition for the sale of the Excess Mortgage Receivables that the relevant part of the relevant Hedging Agreement will be novated to the purchaser of the Excess Mortgage Receivables. The purchase price for the Excess Mortgage Receivables shall be set-off against the Issuer's obligation to repay the Servicing Advance.

## Mortgage Loans Criteria

On 1 November 2004, each of the Mortgage Loans met the Mortgage Loans Criteria:

- (a) the Mortgages Loans are in one of the following forms:
  - (1) Life Mortgage Loans ("*levenhypotheke*"),
  - (2) Savings Mortgage Loans ("*spaarhypotheke*"),
  - (3) Investment Mortgage Loans ("*beleggingshypotheke*"),
  - (4) Annuity Mortgage Loans ("*annuïteiten hypotheke*"),
  - (5) Interest-only Mortgage Loans ("*aflossingsvrije hypotheke*"), or
  - (6) a combination of any of the above mentioned types of mortgage loans ("*combinatiehypotheke*");
- (b) the Borrower is a resident of the Netherlands and not employed by the Seller;
- (c) each Mortgage Loan is covered by a first ranking or first ranking and sequentially lower ranking right of mortgage on property situated in the Netherlands;
- (d) there are no arrears in the payment of interest and/or redemption and, as the case may be, in respect of an Insurance Policy with the exception of Mortgage Loans that were originated one month preceding 1 November 2004 or, in respect of New Mortgage Receivables or Further Advance Receivables originated in the month preceding the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date;
- (e) except for Mortgage Loans originated one month preceding 1 November 2004 or, in respect of New Mortgage Receivables and Further Advance Receivables originated in the calendar month preceding the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date, at least one (interest) payment has been made;
- (f) none of the Mortgage Loans are bridging loans ("*overbruggingshypotheke*");
- (g) the Mortgaged Asset had to be occupied by the Borrower at and after the time of origination. No consent for residential letting of the mortgaged property has been given by or on behalf of the Seller;
- (h) the interest rate on each Mortgage Loan is a fixed rate, subject to an interest reset from time to time, or a variable rate;
- (i) interest payments on the Mortgage Loans are scheduled to be made monthly in arrear by direct debit;
- (j) the Outstanding Principal Amount of each of the Mortgage Loans did not exceed 125 per cent. LTFV-ratio of the mortgaged property upon creation of the Mortgage Receivable;
- (k) no Mortgage Loan has fixed interest periods longer than 20 years;
- (l) no Mortgage Loan will have a legal maturity beyond 2035;
- (m) each Mortgage Loan had an Outstanding Principal Amount of not more than euro 550,000;
- (n) except for Mortgage Loans with a Construction Amount, all Mortgage Loans are fully disbursed (no "*bouwhypotheke*"); and
- (o) in respect of all Interest-only Mortgage Loans, or in the case of a combination of types of mortgage loans, the interest-only loan part, did not exceed 90 per cent. loan-to-foreclosure value of the mortgaged property upon creation of the Mortgage Loan, provided that such Interest-only Mortgage Loan has the benefit of a Risk Insurance Policy for that part of the Interest-only Mortgage Loan which is in excess of 75 per cent. of the Foreclosure Value of the Mortgaged Asset.

The Mortgage Loans Criteria apply also to the selection of New Mortgage Receivables and Further Advance Receivables unless stated otherwise.

## Assignment Notification Events

The Mortgage Receivables Purchase Agreement provides that if, *inter alia*:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 5 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party or any other party (except the Issuer and the Security Trustee) does not comply with any of the obligations under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller or such other party; or
- (c) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or legal demerger ("*juridische splitsing*") involving the Seller or its assets are placed under administration ("*onder bewind gesteld*"); or
- (d) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (e) (i) the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of General Motors Acceptance Corporation falls below Ba2 by Moody's or is withdrawn or (ii) the Seller ceases to be a wholly owned indirect subsidiary of General Motors Acceptance Corporation and thereafter the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of the Seller or the entity of which the Seller becomes the wholly owned (indirect) subsidiary is set or falls below Ba2 by Moody's or is withdrawn;

then, and at any time thereafter, unless (but only in case of the occurrence of the events mentioned under (a), (b) and (e)) within a period of 10 business days an appropriate remedy to the satisfaction of the Security Trustee is found, after having received confirmation from S&P, Moody's and Fitch that no notification is required, the Seller will forthwith notify the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables to the Issuer or, at its option, the Issuer will be entitled to make such notifications itself.

In addition, pursuant to the Beneficiary Waiver Agreement the Seller shall upon the occurrence of a Notification Event, use its best efforts to obtain the co-operation from the relevant Life Insurance Companies and, to the extent required, the Savings Insurance Companies and all other parties (a) (i) to waive its rights as first beneficiary under the Insurance Policies, (ii) to appoint as first beneficiary under the Insurance Policies (x) the Issuer subject to the dissolving condition of the occurrence of a Trustee I Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer, and (b) with respect to Insurance Policies whereby the initial appointment of the first beneficiary has remained in force as a result of the Borrower Insurance Proceeds Instruction to the relevant Life Insurance Company or the relevant Savings Insurance Company, to convert such instruction in favour of (x) the Issuer under the dissolving condition of the occurrence of a Trustee I Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer.

## Purchase of New Mortgage Receivables

The Mortgage Receivables Purchase Agreement provides that the Issuer (i) will apply the Pre-funded Amount on any Pre-funding Purchase Date during the Pre-funding Period and (ii) will apply the Purchase Available Amount, if any, on any Mortgage Payment Date, to purchase any New Mortgage Receivables from the Seller if and to the extent offered by the Seller. The Initial

Purchase Price payable by the Issuer as consideration for any New Mortgage Receivables will be equal to the aggregate of the Outstanding Principal Amount on the first day of the month of the relevant Pre-funding Purchase Date or relevant Mortgage Payment Date. The Issuer will be entitled to all proceeds in respect of the New Mortgage Receivables following such assignment as of the first day of the month of the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date.

The purchase by the Issuer of New Mortgage Receivables will be subject to a number of conditions, which include, *inter alia*, the conditions that on the relevant date of completion of the sale and purchase of the New Mortgage Receivables (except that item (f), (g), (h) and (i) below will not apply to New Mortgage Receivable purchased on a Pre-funding Purchase Date):

- (a) the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to (and to the extent required, modified for) the New Mortgage Receivables sold and relating to the Seller;
- (b) no Assignment Notification Event has occurred and is continuing;
- (c) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to Clauses 8 (representations and warranties) and 10 (covenants) of the Mortgage Receivables Purchase Agreement;
- (d) the Purchase Available Amount is sufficient to pay the initial purchase price for the relevant New Mortgage Receivables;
- (e) during the Pre-funding Period the then current ratings of the Notes by any of S&P, Moody's and Fitch is not adversely affected as a result of such purchase;
- (f) the weighted average of the LTFV-ratio of all Mortgage Loans, including Mortgage Loans in respect of the New Mortgage Receivables, does not exceed 79.5 per cent. The Issuer and the Seller may agree to a higher LTFV-ratio, subject to the confirmation of S&P, Moody's and Fitch that no downgrading of the Notes will occur as a result thereof;
- (g) the aggregate Outstanding Principal Amount of all Interest-only Mortgage Loans does not exceed 81 per cent. of the aggregate Outstanding Principal Amount;
- (h) the aggregate Outstanding Principal Amount in respect of all Mortgage Loans granted to Borrowers who certified their own income, including the New Mortgage Receivables, does not exceed 45 per cent. of the aggregate Outstanding Principal Amount; and
- (i) the aggregate Outstanding Principal Amount in respect of all Mortgage Loans in respect of which the Construction Amount is withheld does not exceed 15 per cent. of the aggregate Outstanding Principal Amount.

#### **Purchase of Further Advance Receivables**

The Mortgage Receivables Purchase Agreement provides that if the Seller decides to grant a Further Advance to a Borrower, provided that the Seller will purchase the Further Advance Participation, the Issuer will purchase the relevant Further Advance Receivable, subject to a number of conditions which include the conditions that on the relevant Mortgage Payment Date:

- (i) the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to (and to the extent relevant) the Further Advance and the Further Advance Receivables sold and relating to the Seller;
- (ii) no Assignment Notification Event has occurred and is continuing;
- (iii) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to Clauses 8 (representations and warranties) and 10 (covenants) of the Mortgage Receivables Purchase Agreement;
- (iv) the consideration received by the Issuer in connection with the Further Advance Participations is sufficient to pay the initial purchase price for the relevant Further Advance Receivables;

- (v) not more than 2.0 per cent. of the aggregate Outstanding Principal Amount are related to Delinquent Mortgage Receivables;
- (vi) the LTFV-ratio of all Mortgage Loans, including the Further Advances, does not exceed 79.5 per cent. The Issuer and the Seller may agree to a higher LTFV-ratio, subject to the confirmation of S&P, Moody's and Fitch that no downgrading of the Notes will occur as a result thereof;
- (vii) the aggregate Outstanding Principal Amount in respect of all Interest-only Mortgage Loans does not exceed 81 per cent. of the aggregate Outstanding Principal Amount; and
- (viii) the number of Mortgage Loans granted to Borrowers who certified their own income, including the Further Advance Receivables, does not exceed the number of such Mortgage Loans on the Closing Date;
- (ix) all Mortgage Receivables with a security right having a higher ranking priority to the Further Advance Receivables if any, are owned by the Issuer.

The Initial Purchase Price payable by the Issuer for any Further Advance Receivables will be equal to the aggregate of their Outstanding Principal Amount as at the relevant Mortgage Payment Date. Such Initial Purchase Price payable by the Issuer to the Seller will be equal to and set-off in full against the consideration for the relevant Further Advance Participation payable by the Seller to the Issuer.

## ISSUER SERVICES AGREEMENT

In the Issuer Services Agreement the MPT Provider (i) will agree to provide mortgage payment transactions and other services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans and (ii) will agree to provide the implementation of arrears procedures including the enforcement of mortgage rights (see further *Mortgage Loan Underwriting and Origination*). The MPT Provider will be obliged to provide the mortgage payment transactions and other services as set out above in respect of the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own portfolio. The MPT Provider will, in accordance with the Issuer Services Agreement, appoint STATER as its sub-agent to carry out the activities, other than the Defaulted Loan services, described above upon the terms and provisions of and in accordance with the Issuer Services Agreement. STATER will accept this appointment and will commit itself, in favour of the Issuer, to carry out the activities subject to and on the terms provided in the Issuer Services Agreement. The Issuer and the Security Trustee have consented to the appointment of STATER as sub-agent.

Furthermore, in case the Put Option in respect of any of the Put Option Notes is exercised or the then current ratings assigned to the non-exercised Put Option Notes are not confirmed as of a Put Date, the MPT Provider (or another party but not its sub-agent) will grant the Issuer a Servicing Advance in an amount equal to the aggregate Principal Amount Outstanding of the Put Option Notes which are subject to redemption, less the *pro rata* part of the balance on the relevant sub-ledgers of the Principal Deficiency Ledger, if any, to enable the Issuer to redeem such Put Option Notes on such Put Date. The obligation to repay the Servicing Advance will be set-off against the obligation to pay the purchase price for the Excess Mortgage Receivables sold by the Issuer to the provider of the Servicing Advance.

The Issuer Administrator will in the Issuer Services Agreement agree to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts received by the Seller to the GIC Account and the production of monthly reports in relation thereto, (b) drawings (if any) to be made by the Issuer from the Reserve Account, (c) all payments to be made by the Issuer under the Hedging Agreements, (d) all payments to be made by the Issuer under the Notes in accordance with the Conditions of the Notes and in respect of the Savings Sub- Participation Agreement and the Further Advance Sub-Participation Agreement, (e) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions of the Notes.

## SUB-PARTICIPATION AGREEMENTS

### *Savings Sub-Participation Agreement*

Under the Savings Sub-Participation Agreement, the Issuer will grant to each of the Savings Insurance Companies a sub-participation in the relevant Savings Mortgage Receivables and, as the case may be, Life Mortgage Receivables with a Savings Element. Each of the Savings Insurance Companies will undertake to pay to the Issuer:

- (i) on the Closing Date or in case of (a) purchase and assignment of new Savings Mortgage Receivables or, as the case may be, new Life Mortgage Receivables with a Savings Element or (b) a switch from any type of a Mortgage Loan into a Savings Mortgage Loan or a switch to a Life Mortgage Loan with a Savings Element, on the relevant Mortgage Payment Date or the relevant Pre-funding Purchase Date, the Initial Participation; and
- (ii) on each Mortgage Payment Date an amount equal to the amount received by the Savings Insurance Company as Savings Premium during the Mortgage Calculation Period then ended in respect of the relevant Savings Insurance Policies or, as the case may be, Life Insurance Policies with a Savings Alternative,

provided that in respect of each relevant Savings Mortgage Receivable or, as the case may be, each Life Mortgage Receivable with a Savings Element no amounts will be paid to the extent that, as a result thereof, the Savings Participation in such relevant Savings Mortgage Receivable or, as the case may be, relevant Life Mortgage Receivable with a Savings Element would exceed the Participation Maximum Amount.

In consideration of such payments the Savings Insurance Company will acquire a Savings Participation in each of the relevant Savings Mortgage Receivables or, as the case may be, Life Mortgage Receivables with a Savings Element, which is equal to the Initial Participation in respect of the relevant Savings Mortgage Receivable or, as the case may be, relevant Life Mortgage Receivable with a Savings Element increased during each Mortgage Calculation Period with the Monthly Savings Participation Increase.

For the avoidance of doubt, the relevant Savings Participation in a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element will not terminate in case a Savings Mortgage Loan switches in whole or in part to another type of Mortgage Loan or, as the case may be, a Life Mortgage Loan with a Savings Element switches to the Unit-Linked Alternative. The Seller and the Savings Insurance Companies will agree in the Savings Sub-Participation Agreement that upon such switch becoming effective the Seller will acquire the relevant Savings Participation from the relevant Savings Insurance Company. Besides this, as a result of the switch, the relevant Savings Participation will no longer be increased with the Monthly Savings Participation Increase and the Seller will be entitled to the *pro rata* part of the interest received by the Issuer in respect of the relevant Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element.

### *Further Advance Sub-Participation Agreement*

Pursuant to the Further Advance Sub-Participation Agreement, the Seller (in its capacity as Further Advance Participant) will acquire the Further Advance Participation in the Further Advance Receivables, if any, unless the Seller has repurchased and accepted the re-assignment of the Mortgage Receivables in respect of which such Further Advance has been granted. The amount of the Further Advance Participation will be equal to the amount of the relevant Further Advance.

### **Reduction of Participation**

If:

- (i) a Borrower invokes a right of set-off or a defence against any person in respect of the Savings Mortgage Receivables or, as the case may be, Life Mortgage Receivables with a Savings Element based upon a default in the performance, whether in whole or in part and for any reason, by the Savings Insurance Company of its obligations under the relevant Savings Insurance Policy or, as the case may be, Life Insurance Policy with a Savings Alternative; or

- (ii) the Seller fails to pay any amount due by it to the Issuer in accordance with the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable, a Life Mortgage Receivable with a Savings Element or a Further Advance Receivable;

and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element or Further Advance Receivables, the Participation of the relevant Participant in respect of such Savings Mortgage Receivables, such Life Mortgage Receivables with a Savings Element or such Further Advance Receivables, will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the calculation of the Participation Redemption Available Amount will be adjusted accordingly.

### **Enforcement Notice**

If an Enforcement Notice is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Participants may, and if so directed by the relevant Participant shall, by notice to the Issuer:

- (i) declare that the obligations of the Savings Insurance Companies under the Savings Sub-Participation Agreement or, as the case may be, the obligations of the Further Advance Participant under the Further Advance Sub-Participation Agreement are terminated; and
- (ii) declare the Participation to be immediately due and payable, whereupon it will become so due and payable, but such payment obligations will be limited to the Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables, the Life Mortgage Receivables with a Savings Element and the Further Advance Receivables.

### **Termination**

If one or more of the Savings Mortgage Receivables, the Life Mortgage Receivables with a Savings Element or the Further Advance Receivables are (i) repurchased by the Seller from the Issuer pursuant to the Mortgage Receivables Purchase Agreement or (ii) sold by the Issuer to the MPT Provider or a third party pursuant to the Issuer Services Agreement and the Trust Deed in connection with a Put Date, the Participation in such Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Further Advance Receivables will terminate and the Participation Redemption Available Amount in respect of the Savings Mortgage Receivables, the Life Mortgage Receivables with a Savings Element and, as the case may be, the Further Advance Receivables will be paid by the Issuer to the relevant Participant. With respect to Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element the Issuer will, if so requested by the relevant Savings Insurance Companies, undertake to use its reasonable efforts to ensure that the acquiror of such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will enter into a savings sub-participation agreement with the Savings Insurance Companies in a form similar to the Savings Sub-Participation Agreement. Furthermore, the Participation envisaged in the relevant Sub-Participation Agreement will terminate if at the close of business of any Mortgage Payment Date the relevant Participant has received the relevant Participation in respect of the relevant Mortgage Receivable.



## HEDGING AGREEMENTS

The majority of the Mortgage Loans will carry fixed rates of interest and others will carry floating rates of interest while the Notes will carry floating rates of interest. The Issuer will enter into one or more Hedging Agreements in order to hedge against interest rate exposure arising from its Mortgage Loans carrying fixed rates of interest and its floating rate payment obligations under the Notes.

Under the Swap Agreement, the Swap Counterparty will receive from the Issuer, in respect of each Floating Rate Interest Period, an amount calculated by reference to a specified fixed swap rate multiplied by the Notional Amount and the Issuer will receive from the Swap Counterparty, in respect of each Floating Rate Interest Period, an amount calculated by reference to Euribor, with a designated maturity of 3 months, multiplied by the Notional Amount.

If the amortisation rate of the Notional Amount of the Swap Agreement varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the aggregate Notional Adjustment Payment due but unpaid by the Issuer, the difference will form part of the Swap Subordinated Amount to be paid under item (q) of the Interest Priority of Payments.

On each Quarterly Payment Date, the Issuer will enter into a Reset Swap Agreement to hedge against potential interest rate exposure arising from Mortgage Loans to which the Reset Mortgage Receivables relate on which the rate of interest has been reset in the Quarterly Calculation Period preceding such Quarterly Payment Date. If the amortisation rate of the Notional Amount of a Reset Swap Agreement varies from the expected rate of amortisation, a Notional Adjustment Payment may be due to or from the Issuer on the next Quarterly Payment Date. If the amount of the Prepayment Penalties received by the Issuer on any Quarterly Payment Date is less than the Notional Adjustment Payment due but unpaid by the Issuer, the difference will form part of the Swap Subordinated Amount to be paid under item (q) of the Interest Priority of Payments.

Each Hedging Agreement entered into by the Issuer will be documented under an ISDA Master Agreement and will be an over-the-counter-transaction negotiated at arm's length between the Issuer and the relevant Hedging Counterparty. The Hedging Agreements may be terminated in accordance with Events of Default and Termination Events (each as defined in the relevant ISDA Master Agreement) commonly found in standard ISDA documentation. Each Hedging Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Hedging Agreement or (iii) an Enforcement Notice is served. Events of Default under the Hedging Agreements in relation to the Issuer will be limited to (i) non-payment under the relevant Hedging Agreement and (ii) certain insolvency events.

In addition, the Issuer and each Hedging Counterparty will be entitled to terminate all or a part of the Hedging Agreements between them upon a redemption of the Notes pursuant to Conditions of the Notes 6(e), (g) and (i) and (subject to the Swap Counterparty's option to match the rate offered by the replacement counterparty) the Issuer will be entitled to terminate any Hedging Agreement after each Put Date if, *inter alia*, (i) the fixed swap rate to be paid by the Issuer under that Hedging Agreement is increased and (ii) a replacement counterparty with the Required Hedging Counterparty Rating has agreed to enter into a replacement Hedging Agreement on the same terms as the Hedging Agreement being terminated, except that the fixed swap rate to be paid by the Issuer is lower.

Upon the early termination of a Hedging Agreement, the Issuer or the relevant Hedging Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the relevant terminated Hedging Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and 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).

No Hedging Agreement will provide a guarantee of any level of excess spread. In relation to each Reset Swap Agreement, however, each Hedging Counterparty will agree that the fixed swap rate to be paid by the Issuer will be such that an excess spread of 0.35 per cent. (or, as the

case may be, 0.20 per cent. after the First Put Date) of the aggregate Outstanding Principal Amount of the Mortgage Loans to which the relevant Reset Mortgage Receivables relate will remain after payment of the applicable part of items (a), (b), (c), (d), (e), (f), (h), (j) and (l) of the Priority of Payments in respect of interest on the first Quarterly Payment Date after the effective date of the relevant Reset Swap Agreement. Such Swap Counterparty will on the Closing Date agree that it will enter into one or more Reset Swap Agreements.

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to a Hedging Counterparty, the Issuer will not be required pursuant to the terms of the relevant Hedging Agreement to pay the Hedging Counterparty such amounts as would otherwise have been required to ensure that the Hedging Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that a Hedging Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Hedging Counterparty will be required pursuant to the terms of the relevant Hedging Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the Hedging Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Hedging Agreement to another office, have the right to terminate such Hedging Agreement. Upon such termination, the Issuer or the Hedging Counterparty may be liable to make a termination payment to the other party.

A Hedging Counterparty may, at its own discretion and at its own expense, novate its rights and obligations under a Hedging Agreement to any third party provided that, *inter alia*, such third party has the same or equivalent external credit rating as such Hedging Counterparty.

Under a Hedging Agreement, in the event that a relevant rating of a Hedging Counterparty, or its guarantor, as applicable, is downgraded by a rating agency below the rating specified in such Hedging Agreement and as set out below (in accordance with the requirements of that rating agency), and, where applicable, as a result of such downgrade, the ratings of the Notes would or may adversely be affected, such Hedging Counterparty will at its own cost be required to take certain remedial measures which include the provision of collateral for its obligations under such Hedging Agreement, the transfer of such obligations to an entity with at least the ratings required by the relevant rating agency (as specified in such Hedging Agreement), the procurement of another entity with such rating as co-obligor or guarantor in respect of such obligations or the taking of such other action as such Hedging Counterparty may agree with the relevant rating agency.

The specified ratings, in respect of the unsecured, unsubordinated debt obligations of a Hedging Counterparty, are (i) long-term A1 (or its equivalent) by Moody's, (ii) short-term Prime-1 (or its equivalent) by Moody's, (iii) short-term A-1 (or its equivalent) by S&P and (iv) short-term F1 (or its equivalent) and long-term A+ (or its equivalent) by Fitch. In addition, if the unsecured, unsubordinated debt obligations of a Hedging Counterparty are downgraded below long-term A3 (or its equivalent) or short-term Prime-2 (or its equivalent) by Moody's, the requirement to provide collateral is subject to stricter criteria.

A failure to take such steps will give the Issuer a right to terminate the relevant Hedging Agreement.

Any collateral transferred by a Hedging Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under a Hedging Agreement will be returned to such Hedging Counterparty prior to the distribution of any amounts due to the Noteholders or the other Secured Parties.

The Swap Counterparty has the right on any Put Date to reprice the Hedging Agreements to which it is a party, but such right may only be exercised once (and not on multiple Put Dates). If such repricing results in an increase in the fixed swap rates of more than 0.15 per cent. the excess will form part of the Swap Subordinated Amount.

Furthermore, in the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts due under any Hedging Agreement, the amount available (if any) shall be paid *pro rata* to the amounts due to the relevant Hedging Counterparty. To the extent that any amount other than a Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then failure to pay such

shortfall constitutes a “Failure to Pay” under the relevant Hedging Agreement which shall entitle that Hedging Counterparty to terminate the relevant Hedging Agreement. To the extent that any Swap Subordinated Amount is not paid to a Hedging Counterparty on a Quarterly Payment Date, then such shortfall shall be deemed to be due on the next Quarterly Payment Date provided, however, that default interest shall be paid by the Issuer to the Hedging Counterparty on such shortfall from the Quarterly Payment Date on which it was due at the default rate agreed in the relevant Hedging Agreement. Such amount shall rank below all payments of interest to the Noteholders but shall rank higher than the Subordinated Extension Interest Part due to any Class of Notes.

A termination payment to be made by the Issuer to a Hedging Counterparty which arises, following the loss of the Required Hedging Counterparty Rating, due to the failure of that Hedging Counterparty to comply with the terms of the relevant Hedging Agreement relating to such loss of the Required Hedging Counterparty Rating shall rank in priority to payments due to any Noteholders to the extent that the Issuer receives a premium from any replacement Hedging Counterparty in relation to a transaction entered into to replace that Hedging Agreement. If the amount of any premium received by the Issuer from a replacement Hedging Counterparty is less than the amount due to the Hedging Counterparty following the Hedging Counterparty’s failure to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating, the amount by which the termination payment exceeds the premium payable by the replacement Hedging Counterparty shall be payable on each Quarterly Payment Date (to the extent not previously paid, after payment of all amounts due to the Noteholders has been made on that Quarterly Payment Date). Such amount shall rank below all payments of interest to the Noteholders but shall rank higher than the Subordinated Extension Interest Part due to any Class of Notes.

Finally, the Issuer, the MPT Provider and each Hedging Counterparty will, subject to certain conditions, enter into a novation agreement with respect to the Hedging Agreements upon (i) a redemption in full of all Classes of the Notes and (ii) the repurchase and acceptance of the re-assignment of the Excess Mortgage Receivables by the MPT Provider (or another party).

## E-MAC NL 2004-II B.V.

The Issuer was incorporated with limited liability under the laws of the Netherlands on 30 November 2004 under number B.V. 1297911. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE, Amsterdam, the Netherlands. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34216759.

The objectives of the Issuer are (a) to acquire, purchase, conduct the management of, dispose of and encumber assets and to exercise any rights connected to such assets, (b) to take up loans by way of issue of securities or by entering into loan agreements to acquire the assets mentioned under (a), (c) to invest and on-lend any funds held by the Issuer, (d) to hedge interest rate and other financial risks amongst others by entering into derivative agreements, such as swaps and options, (e) if incidental to the foregoing, to take up loans by issuing securities or by entering into loan agreements amongst others to repay the principal sum of the securities mentioned under (b), and to grant security rights and (f) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer has an authorised share capital of euro 90,000 of which euro 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Holding.

Stichting Holding is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 9 July 2002. The objects of Stichting Holding 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 Holding is ATC Management B.V..

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Mortgage Receivables and to enter into and perform the Relevant Documents.

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, G.F.X.M. Nieuwenhuizen, A.G.M. Nagelmaker and J. Lont.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2005.

### Capitalisation

The following table shows the capitalisation of the Issuer as of 30 November 2004 as adjusted to give effect to the issue of the Notes:

#### Share Capital

Authorised Share Capital	euro	90,000
Issued Share Capital	euro	18,000

#### Borrowings

Senior Class A Notes	euro	584,000,000
Mezzanine Class B Notes	euro	13,000,000
Junior Class C Notes	euro	8,500,000
Subordinated Class D Notes	euro	4,500,000
Subordinated Class E Notes	euro	3,050,000
Initial Participation	euro	112,305

## **AUDITOR'S REPORT**

*The following is the text of a report received by the Board of Managing Directors of the Issuer from PricewaterhouseCoopers Accountants N.V., the auditors to the Issuer:*

### **Auditors' Report**

"To the Management Board of E-MAC NL 2004-II B.V.

E-MAC NL 2004-II B.V. (the "Issuer") was incorporated on 30 November 2004 under number 1297911 with an authorised share capital consisting of 900 ordinary shares with a par value of euro 100 each, of which at incorporation 180 shares have been issued and fully paid in aggregate amount of euro 18,000. The Issuer has not yet prepared any financial statements. Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Offering Circular dated 7 December 2004.

Amsterdam, 7 December 2004

**PricewaterhouseCoopers Accountants N.V."**

## **USE OF PROCEEDS**

The net proceeds of the Put Option Notes to be issued on the Closing Date will amount to euro 610,000,000.

The net proceeds of the issue of the Put Option Notes less the Pre-funded Amount will be applied on the Closing Date to pay part of the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement. The net proceeds of the issue of the Subordinated Class E Notes will be credited to the Reserve Account.

Furthermore, an amount of euro 13,122,719 of the Initial Purchase Price will be withheld by the Issuer and deposited in the Construction Account.

The remaining part of the net proceeds of the issue of the Notes, being an amount of euro 183,239,617, will be deposited in the Pre-funding Account and will be available for the purchase of New Mortgage Receivables during the Pre-funding Period.

An amount of euro 112,305 will be received by the Issuer as consideration of the Savings Participation granted to the Savings Insurance Companies in the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element. The Issuer will apply this amount towards payment of part of the Initial Purchase Price.

## DESCRIPTION OF SECURITY

In the Parallel Debt Agreement, the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee the Parallel Debt. The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received.

To the extent that the Security Trustee irrevocably receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Parties in accordance with the Priority of Payments upon Enforcement, save for amounts due to the Savings Insurance Company and the Further Advance Participant in connection with the Participations. The amounts due to the Secured Parties, other than to the Savings Insurance Companies and the Further Advance Participant, will be the sum of (i) amounts recovered ("*verhaald*") by it (a) on the Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and, as the case may be, the Further Advance Receivables and (b) on Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element to the extent the amount exceeds the relevant Savings Participation in the relevant Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element and on Further Advance Receivables, the *pro rata* part of such amounts recovered on Further Advance Receivables in relation to the relevant Further Advance Participation and (ii) the *pro rata* part of amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid by the Security Trustee to the Secured Parties (other than the Participants) pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, S&P, Moody's and Fitch and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the Participations bear to the aggregate Mortgage Receivables).

The amounts due to the Participants consists of, *inter alia*, (i) the amounts actually recovered ("*verhaald*") by it on the Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element, but only to the extent such amounts do not exceed the Participation in such Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element and, with respect to Further Advance Receivables, the *pro rata* part of such amounts recovered on Further Advance Receivables in relation to the Participation under any of the Pledge Agreements (as described below) and (ii) the *pro rata* part of the amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to of the Parallel Debt Agreement (by reference to the proportion the Participations bears to the aggregate Mortgage Receivables), less (y) any amounts already paid to the Participants by the Security Trustee pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, S&P, Moody's and Fitch and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the Participations bears to the aggregate Mortgage Receivables).

The Issuer and the Security Trustee will covenant in the Trust Deed that it will enter into a supplemental parallel debt agreement in substantially the same form as the Parallel Debt Agreement in favour of any Hedging Counterparty (other than the Swap Counterparty) in connection with any Reset Swap Agreement. As a result thereof, such Hedging Counterparty will become a Secured Party.

The Issuer shall grant a first ranking right of pledge ("*pandrecht*") by means of the Trustee Pledge Agreement I over the Mortgage Receivables and the Beneficiary Rights (see further *Insurance Policies* under *Special Considerations*) to the Security Trustee on the Closing Date and in respect of any New Mortgage Receivables and Further Advance Receivables undertakes to grant a first ranking right of pledge on the relevant New Mortgage Receivables and Further Advance Receivables and, if applicable, the relevant Beneficiary Rights on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date which will, *inter alia*, secure the payment obligation of the Issuer to the Security Trustee under the Parallel Debt Agreement, the Trust Deed and any other Relevant Document

The pledge on the Mortgage Receivables, the Life Beneficiary Rights and the Risk Beneficiary Rights provided in the Trustee Pledge Agreement I will not be notified to the Borrowers and the Life Insurance Companies respectively, except in case of the occurrence of any of the Trustee I Notification Events. Prior to notification of the pledge to the Borrowers, the pledge will be a “silent” right of pledge (“*stil pandrecht*”) within the meaning of section 3:239 of the Netherlands Civil Code. The pledge on the Savings Beneficiary Rights will be notified to the relevant Savings Insurance Companies and will, therefore, be a “disclosed” right of pledge (“*openbaar pandrecht*”).

The Issuer will also vest a right of pledge by means of the Trustee Pledge Agreement II in favour of the Security Trustee on the Closing Date. This right of pledge secures any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Parallel Debt Agreement, the Trust Deed and any other Relevant Document and will be vested on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Liquidity Facility Agreement, (iv) the GIC, (v) the Savings Sub-Participation Agreement, (vi) the Hedging Agreements, (vii) the Further Advance Sub-Participation Agreement and (viii) in respect of the Transaction Accounts and the Issuer undertakes to grant a first ranking right of pledge on such rights to the extent required. This right of pledge will be notified to the relevant obligors and will therefore be a “disclosed” right of pledge (“*openbaar pandrecht*”).

Furthermore, the Seller shall grant a first-ranking right of pledge on the balance standing to the credit of the Seller Collection Account in favour of the Issuer and the Previous Transactions SPVs jointly, which shall be repledged to the Previous Transactions Security Trustees and the Security Trustee jointly under the condition that future issuers (and any security trustees) in securitisation transactions of the Seller will also receive the benefit of such right of pledge. Such right of pledge will be notified to ABN AMRO, the bank where the Seller Collection Account is maintained.

Since the Previous Transactions SPVs (and/or the Previous Transactions Security Trustees, as the case may be), and the Issuer (and/or the Security Trustee, as the case may be), have a first ranking right of pledge on the amounts standing to the credit of the Seller Collection Account, the rules applicable to co-ownership (“*gemeenschap*”) apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights. In principle co-owners are required to co-operate with regard to their co-owned goods, but according to section 3:168 of the Netherlands Civil Code it is possible for co-owners to make an arrangement for the management (“*beheer*”) of the co-owned goods by one or more of the co-owning parties.

The Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees will in the Seller Account Pledge Agreement agree that the Security Trustee and the Previous Transactions Security Trustees will manage (“*beheren*”) such co-held rights jointly. It is uncertain whether the foreclosure of the rights of pledge will constitute management for the purposes of section 3:168 of the Netherlands Civil Code and as a consequence the co-operation of the previous Transactions SPVs and the Issuer may be required for such foreclosure to take place.

The Seller, the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees will further agree in the Seller Account Pledge Agreement that (i) the share (“*aandeel*”) in each co-held pledge right will be equal to the amounts collected from the pool of mortgage receivables purchased by the Previous Transactions SPVs and the Issuer and the amounts collected from the Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Seller Collection Account, the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that any of the Issuer, the Security Trustee, the Previous Transactions SPVs and the Previous Transactions Security Trustees should become insolvent. It is noted that the Seller's insolvency would not affect this arrangement. In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

The security rights described above will serve as security for the benefit of the Secured Parties, including each of the Senior Class A Noteholders, the Mezzanine Class B Noteholders,



the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders, but amounts owing to the Mezzanine Class B Noteholders will rank in priority of payment after amounts owing to Senior Class A Noteholders and amounts owing to the Junior Class C Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders and the Mezzanine Class B Noteholders and amounts owing to the Subordinated Class D Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders, the Mezzanine Class B Noteholders and the Junior Class C Noteholders and amounts owing to the Subordinated Class E Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders (see *Credit Structure*).

## **THE SECURITY TRUSTEE**

The Security Trustee is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 30 November 2004. It has its registered office in Amsterdam, the Netherlands.

The objects of the Security Trustee are (in summary) (a) to act as agent and/or trustee; (b) to acquire security rights as agent and/or trustee and/or for itself; (c) to hold, administer and to enforce the security rights mentioned under (b); (d) to borrow money and (e) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V. The Security Trustee has its registered office at Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are R.F. Govaerts and D.P. Stolp.

## TERMS AND CONDITIONS OF THE NOTES

If Notes are issued in definitive form, the terms and conditions (the “**Conditions of the Notes**”) will be as set out below. The Conditions of the Notes will be endorsed on each Note in definitive form if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form. See ‘The Global Notes’.

The issue of the euro 584,000,000 Senior Class A Mortgage-Backed Notes 2004 due 2037 (the “**Senior Class A Notes**”), the euro 13,000,000 Mezzanine Class B Mortgage-Backed Notes 2004 due 2037 (the “**Mezzanine Class B Notes**”), the euro 8,500,000 Junior Class C Mortgage-Backed Notes 2004 due 2037 (the “**Junior Class C Notes**”), the euro 4,500,000 Subordinated Class D Notes 2004 due 2037 (the “**Subordinated Class D Notes**”) and the euro 3,050,000 Subordinated Class E Notes 2004 due 2037 (the “**Subordinated Class E Notes**”) and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes (the “**Notes**”), was authorised by a resolution of the managing director of E-MAC NL 2004-II B.V. (the “**Issuer**”) passed on 2 December 2004. The Notes are issued under a Trust Deed to be dated 8 December 2004 (the “**Trust Deed**”) between the Issuer, Stichting E-MAC NL Holding and Stichting Security Trustee E-MAC NL 2004-II (the “**Security Trustee**”).

The statements in these terms and conditions of the Notes (the “**Conditions of the Notes**”) include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the form of the Notes and the coupons appertaining to the Notes (the “**Coupons**”) and the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a Paying Agency Agreement (the “**Paying Agency Agreement**”) dated 8 December 2004 between the Issuer, the Security Trustee, and ABN AMRO Bank N.V. as paying agent (the “**Paying Agent**”), as reference agent (the “**Reference Agent**”) and Citigroup Global Markets Limited as Extension Margin Agent, (iii) an Issuer Services Agreement (the “**Issuer Services Agreement**”) dated 8 December 2004 between the Issuer, GMAC RFC Nederland B.V., as the Issuer Administrator, the MPT Provider, and the Security Trustee, (iv) a pledge agreement dated 8 December 2004 between the Security Trustee and the Issuer and (vi) a pledge agreement dated 8 December 2004 between the Issuer, the Security Trustee and others (jointly the “**Pledge Agreements**”).

Certain words and expressions used below are defined in a master definitions agreement (the “**Master Definitions Agreement**”) dated 7 December 2004 and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions of the Notes. As used herein, “**Class**” means either the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes or the Subordinated Class E Notes, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Fred. Roeskestraat 123, 1076 EE, Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement and the Pledge Agreements.

### 1. Form, Denomination and Title

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of euro 500,000 each except for the Subordinated Class E Notes which will be issued in a denomination of euro 610,000 each. Under Netherlands law, the valid transfer of Notes requires, *inter alia*, delivery (“*levering*”) thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon is overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person will be liable for so treating such holder. The signatures on the Notes will be in facsimile.

## 2. Status, Relationship between the Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class;
- (b) In accordance with the provisions of Conditions of the Notes 4, 6 and 9 and the Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and (ii) payments of principal and interest on the Junior Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes and (iii) payments of principal and interest on the Subordinated Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes and (iv) payments of principal and interest on the Subordinated Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes;
- (c) The security for the obligations of the Issuer towards the Noteholders (the “**Security**”) will be created pursuant to, and on the terms set out the Pledge Agreements, which will create the following security rights:
  - (i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights; and
  - (ii) a first ranking pledge by the Issuer to the Security Trustee on the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the Issuer Administrator under or in connection with the Issuer Services Agreement; (c) against the MPT Provider under or in connection with the Issuer Services Agreement; (d) against the Swap Counterparty under or in connection with the Hedging Agreements; (e) against the GIC Provider under or in connection with the GIC; (f) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement; (g) against the Savings Insurance Companies under the Savings Sub-Participation Agreement; (h) against the Further Advance Participant under the Further Advance Sub-Participation Agreement and (i) against the GIC Provider in respect of the Transaction Accounts and to the extent such rights do not exist at the Closing Date the Issuer will undertake to vest such first ranking right of pledge on such rights.

Furthermore, the amounts standing to the credit of the Seller Collection Account will be pledged to the Previous Transactions SPVs and the Issuer jointly and repledged to the Previous Transactions Security Trustees and the Security Trustee jointly under the condition that future issuers in securitisation transactions of GMAC RFC Nederland will also have the benefit of such right of pledge.

- (d) The Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes will be secured (indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes; the Mezzanine Class B Notes will rank in priority to the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes; the Junior Class C Notes will rank in priority to the Subordinated Class D Notes and the Subordinated Class E Notes; and the Subordinated Class D Notes will rank in priority to the Subordinated Class E Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the Senior Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on the one hand and the Mezzanine Class B Noteholders, the

Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Mezzanine Class B Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class B Noteholders on the one hand and the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders on the other hand and if no Mezzanine Class B Notes are outstanding, to have regard only to the interests of the Junior Class C Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class C Noteholders on the one hand and the Subordinated Class D Noteholders and the Subordinated Class E Noteholders on the other hand and if no Junior Class C Notes are outstanding to have regard only to the interests of the Subordinated Class D Noteholders if, in the Security Trustee's opinion there is a conflict between the interests of the Subordinated Class D Noteholders on the one hand and the Subordinated Class E Notes on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict interest between the Secured Parties the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Secured Party prevails.

### 3. Covenants of the Issuer

So long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with the requirements of Netherlands law and accounting practice and shall not, except to the extent permitted by the Mortgage Receivables Purchase Agreement, the Deed of Assignment, any Purchase Deeds of Assignment, the Issuer Services Agreement, the Pledge Agreements, the Parallel Debt Agreement, the Hedging Agreements, the GIC, the Savings Sub-Participation Agreement, the Liquidity Facility Agreement, the Notes Purchase Agreements, the Notes, the Paying Agency Agreement, the Beneficiary Waiver Agreement, the Further Advance Sub-Participation Agreement, the Management Agreements, the Seller Account Pledge Agreement and the Trust Deed (together the "**Relevant Documents**") or with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Offering Circular dated 7 December 2004 relating to the issue of the Notes and as contemplated in the Relevant Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Relevant Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other Mortgage and the Borrower Pledge whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Relevant Documents;
- (d) take action for its dissolution ("*ontbinding*"), request the court to grant a suspension of payments ("*surseance van betaling*") or declare its bankruptcy ("*faillissement*");
- (e) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (f) permit the validity or effectiveness of the Pledge Agreements, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Relevant Documents;
- (g) have any employees or premises or have any subsidiary or subsidiary undertaking; or
- (h) have an interest in any bank account other than the Collection Account, the Reserve Account, the Pre-funded Account and the Construction Account or an account to which collateral under the Hedging Agreements is transferred, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition of the Notes 2(c)(ii) hereof.

#### 4. Interest

##### (a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition of the Notes 6 hereof) 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 judgement) 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 Agent to the holder thereof (in accordance with Condition of the Notes 13 hereof) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of actual days elapsed in the Floating Rate Interest Period divided by 360 days.

##### (b) *Floating Rate Interest Periods and Payment Dates*

Interest on the Notes will be payable by reference to successive quarterly interest periods (each a "**Floating Rate Interest Period**") and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition of the Notes 6 hereof) of the Notes, respectively, on the 25th day of January, April, July and October or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day in each year (each such day being a "**Quarterly 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 Trans-European Automated Real-Time Gross Settlement European Transfer System ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Floating Rate Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the Closing Date and end (but exclude) the Quarterly Payment Date falling in January 2005.

##### (c) *Interest on the Notes up to (but excluding) the First Put Date*

Interest on the Notes for each Floating Rate Interest Period from the Closing Date will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three months deposits (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for one and two months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards) increased with, up to (but excluding) the First Put Date:

- (i) for the Senior Class A Notes, a margin of 0.13 per cent. per annum;
- (ii) for the Mezzanine Class B Notes, a margin of 0.32 per cent. per annum;
- (iii) for the Junior Class C Notes, a margin of 0.62 per cent. per annum;
- (iv) for the Subordinated Class D Notes a margin of 0.95 per cent. per annum; and
- (v) for the Subordinated Class E Notes a margin of 3.30 per cent. per annum.

##### (d) *Interest on the Notes following the First Put Date*

If on the First Put Date (as defined in Condition of the Notes 6 hereof) the Notes of any Class have not been redeemed in full, the rate of interest applicable to the relevant Class of Notes will be equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each Quarterly Payment Date, increased with the relevant Extension Margin.

##### (e) *Determination of Extension Margins*

The Extension Margin Agent shall determine the margins applicable to each Class of Notes as of the First Put Date at least 22 days prior to the First Put Date (the "**Extension Margins**"). The Extension Margin Agent shall determine the Extension Margins as follows. The Extension Margin Agent will select a panel of five of the then leading European securitisation underwriters.

Such underwriters are requested by the Extension Margin Agent to give quotes for the Extension Margins based on the following assumptions:

- (a) no Noteholder exercises its Put Option;
- (b) the Notes will have a remaining assumed average life (on a 30/360 basis) based on a conditional prepayment rate of 7 per cent. applied to the then outstanding Mortgage Loans to which the Mortgage Receivables relate;
- (c) the interest rate applicable to a Mortgage Loan will not change on an interest reset date;
- (d) the Mortgage Loans to which the Mortgage Receivables relate are not prepaid on an interest reset date (other than what is effected by the assumed CPR rate);
- (e) no delinquencies and no defaults of Mortgage Loans to which the Mortgage Receivables relate will occur;
- (f) the Conditions of the Notes remain the same;
- (g) the Clean-Up Call Option will be exercised; and
- (h) the then current ratings assigned to the Notes will be confirmed on the First Put Date by each Rating Agency which has assigned a rating.

The Extension Margins will be equal to the arithmetic mean (rounded, if necessary, to the nearest basis point) of such five quotations of such underwriters as determined by the Extension Margin Agent. The Extension Margins shall be notified to the Noteholders on the 20th day prior to the First Put Date in accordance with Condition of the Notes 6(e)(iv)(b).

After the determination of the Extension Margins applicable as of the First Put Date the Extension Margins will not be changed.

*(f) Euribor*

For the purpose of Conditions of the Notes 4(c), (d) and (e) hereof Euribor will be determined as follows:

- (i) the Reference Agent will obtain for each Floating Rate Interest Period the rate equal to the sum of Euribor for three months deposits in euro (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for one and two months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards). The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on the Telerate Page 248 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuters Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period (each an “**Interest Determination Date**”); or
- (ii) if, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI – The Financial Market Association, 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 market 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 determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; or
  - (b) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks,

of which there will be at least two in number, in the Euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for one month deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Floating Rate Interest Period will be the rate per annum equal to the Euro-interbank offered rate for euro deposits as determined in accordance with this paragraph (f), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Floating Rate Interest Period, Euribor applicable to the relevant Class of Notes during such Floating Rate Interest Period will be Euribor last determined in relation thereto.

*(g) Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c) and (d) above for each relevant Class of Notes (the “**Floating Rate of Interest**”) and calculate the amount of interest payable on this Class of Notes for the following Floating Rate Interest Period (the “**Floating Interest Amount**”) by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

*(h) Notification of the Floating Rate of Interest and the Floating Interest Amount*

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator, Euronext Amsterdam N.V. and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Amsterdam Daily Official List of Euronext Amsterdam N.V. (“*Officiële Prijscourant*”). The Floating Interest Amount and Quarterly 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 Floating Rate Interest Period.

*(i) Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (g) above, the Security Trustee shall determine the relevant Floating 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 (g) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Floating Interest Amount in accordance with paragraph (h) above, and each such determination or calculation will be final and binding on all parties.

*(j) 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 Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Reference Bank 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 relevant Class of Notes in accordance with Condition 13 hereof. If any person will be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent will be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference Agent (as the case may be) 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) Payment of principal and interest in respect of Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agent in cash or by transfer to a euro account



maintained by the payee with a bank in the Netherlands, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.

- (b) At the Final Maturity Date (as defined in Condition of the Notes 6 hereof), or such earlier date the Notes become due and payable, the 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 of the Notes 8 hereof).
- (c) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon ("**Local Business Day**"), 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 Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agent and of its office is set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America 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 Put Option Notes are listed on the Official Segment of the stock market of Euronext Amsterdam will 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 Agent will be given to the Noteholders in accordance with Condition of the Notes 13 hereof.

## 6. Redemption and purchase

### (a) Final redemption

Unless previously redeemed as provided below, the Issuer will, in respect of the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes subject to Condition of the Notes 9(b) hereof, redeem the Notes at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in January 2037 (the "**Final Maturity Date**").

### (b) Mandatory redemption

Provided that no Enforcement Notice has been served in accordance with Condition of the Notes 10 hereof, the Issuer will be obliged to apply the Notes Redemption Available Amount after payment of the initial purchase price for New Mortgage Receivables and/or, as the case may be, Further Advance Receivables, to redeem (or partially redeem) on the Quarterly Payment date falling in January 2005 and each Quarterly Payment Date thereafter the Notes at their Principal Amount Outstanding, subject to Condition of the Notes 9 hereof:

- (x) before the Target Amortisation Date and on or after the Target Amortisation Date in case a Target Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
  - (a) *first*, the Senior Class A Notes, until fully redeemed, and, thereafter
  - (b) *second*, the Mezzanine Class B Notes, until fully redeemed, and, thereafter
  - (c) *third*, the Junior Class C Notes, until fully redeemed, and, thereafter
  - (d) *fourth*, the Subordinated Class D Notes, until fully redeemed; and

- (y) on or after the Target Amortisation Date unless a Target Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
  - (a) the Senior Class A Notes by applying the Class A Notes Redemption Available Amount;
  - (b) the Mezzanine Class B Notes by applying the Class B Notes Redemption Available Amount;
  - (c) the Junior Class C Notes by applying the Class C Notes Redemption Available Amount; and
  - (d) the Subordinated Class D Notes by applying the Class D Notes Redemption Available Amount.

(c) *Definitions*

For the purposes of these Conditions of the Notes the following terms shall have the following meanings:

**“Delinquent Mortgage Receivables”** means (i) Mortgage Receivables under which amounts are due and payable, have remained unpaid for a consecutive period exceeding 90 days or (ii) in respect of Mortgage Receivables which have remained unpaid for less than 90 days and for which an instruction has been given to the civil-law notary to commence foreclosure proceedings.

**“Delinquent Quotient”** means the sum of the aggregate Outstanding Principal Amount in respect of Mortgage Receivables in arrears for a period exceeding 60 days divided by the aggregate Outstanding Principal Amount.

**“Notes Redemption Available Amount”** shall mean, on any Quarterly Payment Date, the aggregate amount received by the Issuer during the immediately preceding Quarterly Calculation Period as items (i) through (xii), to the extent not applied towards payment of the initial purchase price of New Mortgage Receivables and/or Further Advance Receivables:

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance Receivable, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as Net Proceeds, to the extent such proceeds relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element the relevant Participation and (z) Further Advance Receivable, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance Receivable, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iv) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (v) as amounts of interest received to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;
- (vi) as Monthly Savings Participation Increase pursuant to the Savings Sub-Participation Agreement;

- (vii) as partial prepayment in respect of Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, less, in respect of a Further Advance, an amount equal to the amount received on each Further Advance Receivable multiplied by the relevant Participation Fraction;
- (viii) as amounts standing to the credit of the Pre-funded Account upon the expiry of the Pre-funding Period;
- (ix) as amounts received on the Collection Account from the credit of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation pursuant to the Savings Sub-Participation Agreement and as consideration for the Further Advance Participation pursuant to the Further Advance Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Quarterly Payment Date; and
- (xii) as amount received as the Servicing Advance on a Put Date.

**“Class A Notes Redemption Available Amount”** means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Senior Class A Notes;
- (b) the Notes Redemption Available Amount; and
- (c) the positive difference between (i) the aggregate Principal Amount Outstanding of the Senior Class A Notes; and (ii) 91.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the last day of the relevant Quarterly Calculation Period.

**“Class B Notes Redemption Available Amount”** means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes;
- (b) the Notes Redemption Available Amount less the Class A Notes Redemption Available Amount; and
- (c) the positive difference between (i) the sum of the aggregate Principal Amount Outstanding of the Senior Class A Notes on the first day of the following Quarterly Calculation Period and the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes; and (ii) 95.8 per cent. of the aggregate Outstanding Principal Amount on the last day of the relevant Quarterly Calculation Period.

**“Class C Notes Redemption Available Amount”** means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Junior Class C Notes;
- (b) the Notes Redemption Available Amount less the sum of the Class A Notes Redemption Available Amount and the Class B Notes Redemption Available Amount; and
- (c) the positive difference between (i) the sum of the aggregate Principal Amount Outstanding of the Senior Class A Notes and the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes on the first day of the following Quarterly Calculation Period and the aggregate Principal Amount Outstanding of the Junior Class C Notes; and (ii) 98.6 per cent. of the aggregate Outstanding Principal Amount on the last day of the relevant Quarterly Calculation Period.

**“Class D Notes Redemption Available Amount”** means, with respect to any Quarterly Calculation Date, an amount equal to the lesser of:

- (a) the aggregate Principal Amount Outstanding of the Subordinated Class D Notes;
- (b) the Notes Redemption Available Amount less the sum of the Class A Notes Redemption Available Amount, the Class B Notes Redemption Available Amount and the Class C Notes Redemption Available Amount; and

- (c) the positive difference between (i) the sum of the aggregate Principal Amount Outstanding of the Senior Class A Notes, the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes and the aggregate Principal Amount Outstanding of the Junior Class C Notes on the first day of the following Quarterly Calculation Period and the aggregate Principal Amount Outstanding of the Subordinated Class D Notes; and (ii) 100 per cent. of the aggregate Outstanding Principal Amount on the last day of the relevant Quarterly Calculation Period.

The principal amount so redeemable in respect of each Senior Class A Note (each a “**Class A Principal Redemption Amount**”) on the relevant Quarterly Payment Date shall be the Class A Notes Redemption Available Amount divided by the number of Senior Class A Notes subject to such redemption (rounded down to the nearest euro), provided always that the Class A Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Senior Class A Note.

The principal amount so redeemable in respect of each Mezzanine Class B Note (each a “**Class B Principal Redemption Amount**”) on the relevant Quarterly Payment Date shall be the Class B Notes Redemption Available Amount divided by the number of Mezzanine Class B Notes subject to such redemption (rounded down to the nearest euro), provided always that the Class B Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Mezzanine Class B Note.

The principal amount so redeemable in respect of each Junior Class C Note (each a “**Class C Principal Redemption Amount**”) on the relevant Quarterly Payment Date shall be the Class C Notes Redemption Available Amount divided by the number of Junior Class C Notes subject to such redemption (rounded down to the nearest euro), provided always that the Class C Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Junior Class C Note.

The principal amount so redeemable in respect of each Subordinated Class D Note (each a “**Class D Principal Redemption Amount**”) on the relevant Quarterly Payment Date shall be the Subordinated D Notes Redemption Available Amount divided by the number of Subordinated Class D Notes subject to such redemption (rounded down to the nearest euro), provided always that the Class D Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Subordinated Class D Note.

The principal amount so redeemable in respect of each Note (each a “**Principal Redemption Amount**”) on the relevant Quarterly Payment Date shall be (a) on or after the Target Amortisation Date, unless a Target Amortisation Event has occurred which is not cured any and all of the Class A Principal Redemption Amount, the Class B Principal Redemption Amount, the Class C Principal Redemption Amount and the Class D Principal Redemption Amount and (b) before the Target Amortisation Date (and on or after the Target Amortisation Date in case a Target Amortisation Event has occurred which is not cured) the Notes Redemption Available Amount divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro). The Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of 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.

“**Mortgage Calculation Period**” means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month.

“**Net Proceeds**”, means (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to fire insurance and the Insurance Policies, (d) the proceeds of any guarantees or sureties and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Mortgage Receivable.

“**Participation Fraction**” means, in respect of a Savings Mortgage Receivable, a Life Mortgage Receivable with a Savings Element and a Further Advance Receivable, an amount equal to the relevant Participation divided by the Outstanding Principal Amount of such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Further Advance Receivable respectively.

The “**Principal Amount Outstanding**” on any Quarterly Payment Date of any Note will 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 become due and payable prior to such Quarterly Payment Date.

“**Quarterly Calculation Date**” means, in relation to a Quarterly Payment Date the third business day prior to such Quarterly Payment Date.

“**Quarterly Calculation Period**” means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date.

“**Target Amortisation Date**” means the Quarterly Payment Date falling in January 2009.

“**Target Amortisation Event**” means, on the Target Amortisation Date and any Quarterly Payment Date after the Target Amortisation Date, (a) the balance standing to the credit of the Reserve Account is less than the Reserve Account Target Level or (b) the Delinquent Quotient is equal to or higher than 1.5 per cent. or (c) any drawing under the Liquidity Facility is not repaid or a drawing under the Liquidity Facility is made on such date or (d) there is a debit balance on the Principal Deficiency Ledger.

(d) *Determination of Principal Redemption Amount and Principal Amount Outstanding*

- (i) On each Quarterly Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Notes on the first day following the Quarterly 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 Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam N.V. and to the holders of Notes by an advertisement in the English language in the Euronext Amsterdam Daily Official List of Euronext Amsterdam N.V. (“*Officiële Prijscourant*”). If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition of the Notes 13.
- (iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (c) and paragraph (b) above (but based upon the information in its possession as to the Notes Redemption Available Amount each such determination or calculation shall be deemed to have been made by the Issuer).

(e) *Redemption of the Put Option Notes at the option of Put Option Noteholders*

- (i) Each Put Option Noteholder has the option (a “**Put Option**”) to offer any or all Put Option Notes held by it to the Issuer for redemption on the Quarterly Payment Date falling in January 2012 (the “**First Put Date**”) and each Quarterly Payment Date thereafter (each a “**Put Date**”) in accordance with the following provisions of this Condition of the Notes 6(e);
- (ii) If a Put Option Noteholder exercises the Put Option in respect of Put Option Notes held by it then the Issuer will be obliged, subject to Condition of the Notes 9, to redeem such Put Option Notes in full, on the relevant Put Date, at their aggregate Principal Amount Outstanding;
- (iii) To exercise the Put Option, the Put Option Noteholder shall deliver, at the specified office of the Issuer and the Paying Agent at any time during normal business hours of the Issuer within a period of not less than 11 days (unless such 11th day is not a business day, in which case the immediately preceding day) and not more than 20 days prior to the Put Date (the “**Put Notice Period**”), a duly completed and signed notice of exercise in the form obtainable from the Issuer or, in case the Put Option Notes are held through Euroclear or Clearstream, Luxembourg, such notice as required by Euroclear and Clearstream, Luxembourg (the “**Put Notice**”) in which the Put Option Noteholder must specify a bank account (or, if payment is required to be made by

cheque, an address) to which payment is to be made under this Condition of the Notes 6(e) accompanied by the Put Option Note or evidence satisfactory to the Issuer concerned that the relevant Put Option Note will, following delivery of the Put Notice, be held to its order or under its control.

- (iv) **With respect to the First Put Date** the following is applicable:
- (a) On the **Quarterly Payment Date immediately prior to the First Put Date**, the Issuer shall notify in accordance with Condition of the Notes 13 the Put Option Noteholders of the upcoming First Put Date and that any Put Option Notes in respect of which the Put Option may be exercised will be redeemed in full, subject to Condition of the Notes 9, on the First Put Date;
  - (b) On or before **the twentieth day before the First Put Date**, the Issuer shall notify the Put Option Noteholders of:
    - (A) the right to exercise the Put Option;
    - (B) each Extension Margin;
    - (C) the assumed remaining average life of each Class of Put Option Notes; and
    - (D) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to the First Put Date (unless such day is not a business day, in which case the immediately preceding day);
  - (c) On or before **the fifth day before the First Put Date**, the Issuer will notify the Put Option Noteholders which Put Option Notes will be redeemed on the First Put Date, subject to Condition of the Notes 9 and the confirmation of each of S&P, Moody's and Fitch of the then current ratings assigned to the Put Option Notes as of the First Put Date after taking into account the redemption of the Put Option Notes in respect of which the Put Option has been exercised;
  - (d) The Put Option Notes in respect of which the Put Option is not exercised, will not be redeemed on the First Put Date. The Put Option Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Put Notes 9, on the Put Date;
  - (e) If any of S&P, Moody's or Fitch is not able to confirm the then current ratings assigned to the Put Option Notes (as set forth in paragraph (c) of this Condition of the Notes 6(e)(iv)) then all Put Option Notes will be redeemed, subject to Condition of the Notes 9, in full on the First Put Date;

Any Put Notice given by a holder of any Put Option Note shall be irrevocable, except where prior to the First Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Put Option Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Put Option Note forthwith due and payable pursuant to Condition of the Notes 10.

- (v) **With respect to each Put Date after the First Put Date** the following is applicable:
- (a) On or before **the twentieth day before the relevant Put Date**, the Issuer shall notify the Put Option Noteholders of:
    - (A) the right to exercise the Put Option; and
    - (B) the requirement to give a Put Notice no later than by close of business on the eleventh day prior to such Put Date (unless such day is not a business day, in which case the immediately preceding day)
  - (b) On or before **the fifth day before the relevant Put Date**, the Issuer will notify the Put Option Noteholders which Put Option Notes will be redeemed on the relevant Put Date, subject to Condition of the Notes 9 and the confirmation of each of S&P, Moody's and Fitch of the then current ratings assigned to the Put Option Notes as of such Put Date after taking into account the redemption of the Put Option Notes in respect of which the Put Option has been exercised;

- (c) The Put Option Notes in respect of which the Put Option is not exercised, will not be redeemed on such Put Date. The Put Option Notes in respect of which the Put Option is exercised will be redeemed in full, subject to Condition of the Notes 9, on the relevant Put Date;
- (d) If any of S&P, Moody's or Fitch is not able to confirm the then current ratings assigned to the Put Option Notes (as set forth in paragraph (b) of this Condition of the Notes 6(e)(v)) then all Put Option Notes will be redeemed, subject to Condition of the Notes 9, in full on the relevant Put Date;

Any Put Notice given by a holder of any Put Option Note shall be irrevocable, except where prior to the relevant Put Date an Event of Default (as described in Condition of the Notes 10) shall have occurred and be continuing in which event such Put Option Noteholder, at its option, may elect, by giving notice to the Issuer and the Paying Agent, to withdraw the Put Notice given pursuant to this paragraph and instead to declare such Put Option Note forthwith due and payable pursuant to Condition of the Notes 10.

- (vi) In the event that on a Put Date the Issuer has insufficient funds available to redeem the Put Option Notes subject to redemption, the Put Option Notes Redemption Available Amount shall be applied in accordance with Condition of the Notes 6(b). If on a Put Date the Put Option Notes are not redeemed for whatever reason, this will not constitute an Event of Default as described in Condition of the Notes 10. After the relevant Put Date, in case the Put Option Notes are not redeemed in full, payments on the Put Option Notes will be made in accordance with Conditions of the Notes 4 and 6;

*(f) Redemption of Subordinated Class E Notes*

Provided that no Enforcement Notice has been served in accordance with Condition of the Notes 10, the Issuer will be obliged on the First Put Date and each Put Date thereafter to redeem (or partially redeem) on a *pro rata* basis the Subordinated Class E Notes on each such Put Date until fully redeemed. The amount available for redemption of the Subordinated Class E Notes on the First Put Date and each Put Date thereafter (after items (a) up to and including (n) of the Interest Priority of Payments have been made in full) will be the positive difference between the balance standing to the credit of the Reserve Account and the Reserve Account Target level.

*(g) Clean-Up Call*

In case on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Put Option Notes is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes on the Closing Date (in case of a Principal Shortfall in respect of any Class of Notes, less such Principal Shortfall) the Issuer may (but is not obligated to) redeem all of the Put Option Notes, in whole but not in part at their Principal Amount Outstanding together with accrued interest thereon up to but excluding the date of redemption, subject to and in accordance with the Condition of the Notes 9(b). No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

*(h) Purchases*

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may, at the option of the Issuer be held, re-issued or resold at their Principal Amount Outstanding together with accrued interest thereon up to and including the date of redemption, subject to and in accordance with this Condition of the Notes. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

*(i) General*

In the event of 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), the Issuer may (but is not obliged to) redeem all of the Notes, in whole but not in part, at their Principal Amount Outstanding together with accrued interest thereon up to but excluding the date of redemption, subject to and in accordance with this Condition of the Notes. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

## 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 is 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 and will have no obligation to pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

## 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. Subordination

### (a) Interest

Interest on the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes shall be payable in accordance with the provisions of Conditions of the Notes 4 and 6, subject to the terms of this Condition of the Notes.

In the event that on any Quarterly Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes and on the Subordinated Extension Interest Part relating to the Senior Class A Notes, on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of such Class of Notes. In the event of a shortfall, the Issuer shall credit the relevant Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on such Class of Notes on any Quarterly Payment Date (in accordance with this Condition of the Notes) falls short of the aggregate amount of interest payable on that Class of Notes on that date pursuant to Condition of the Notes 4. Such shortfall shall not be treated as due on that date for the purposes of Conditions of the Notes 4 and 10, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the relevant Class of Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon will be aggregated with the amount of, and treated for the purpose of these Conditions of the Notes as if it were interest due, subject to this Condition of the Notes, on each Note of the relevant Class on the next succeeding Quarterly Payment Date.

### (b) Principal

If, on any Quarterly Payment Date, there is a balance on the Principal Deficiency Ledger of a Class of Put Option Notes, then notwithstanding any other provisions of these Conditions of the Notes the principal amount payable on redemption of each such Put Option Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Quarterly Payment Date. The Put Option Noteholders of a Class of Notes shall have no further claim against the Issuer for the Principal Amount Outstanding on such Notes after the earlier of (i) the Final Maturity Date or (ii) the relevant Put Date on which a Note is fully redeemed or (iii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts. "**Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the relevant sub-ledger of the Principal Deficiency Ledger divided by the number of the Put Option Notes of the relevant Class on such Quarterly Payment Date.

### (c) General

In the event that the 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 the Trust Deed in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the such Class of Notes, the Noteholders of the relevant Class of Notes 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 at its discretion may, and if so directed by an Extraordinary Resolution of the Senior Class A Noteholders or if no Senior Class A Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class B Noteholders, or if no Senior Class A Notes and Mezzanine Class B Notes are outstanding, by an Extraordinary Resolution of the Junior Class C Noteholders or, if no Senior Class A Notes, Mezzanine Class B Notes and Junior Class C Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class D Noteholders or if no Senior Class A Notes, Mezzanine Class B Notes, Junior Class C Notes and Subordinated Class D Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class E Noteholders (subject, in each case, to being indemnified to its satisfaction) (in each case, the “**Relevant Class**”) 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 of the Relevant Class) give notice (an “**Enforcement Notice**”) to the Issuer that the Notes are immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (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 under the Put Option on a Put Date; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements 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 major 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 a liquidator or receiver of the Issuer or of all or substantially all of its assets; 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 suspension of payments (“*surseance van betaling*”) or for bankruptcy (“*faillissement*”) or is declared bankrupt;

provided that, if Senior Class A Notes are outstanding, no Enforcement Notice may or will be given by the Security Trustee to the Issuer in respect of the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes or the Subordinated Class E Notes, irrespective of whether an Extraordinary Resolution is passed by the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders or the Subordinated Class E Noteholders, unless an Enforcement Notice in respect of the Senior Class A Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Senior Class A Notes, the Security Trustee shall not be required to have regard to the interests of the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders or the Subordinated Class E Noteholders.

## 11. Enforcement

- (a) At any time after the Notes of any Class become due and payable as a result of an Enforcement Notice, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Trust Deed, the Pledge Agreements and the Notes, but it need not

take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Senior Class A Noteholders or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Mezzanine Class B Noteholders or, if all amounts due in respect of the Senior Class A Notes and the Mezzanine Class B Notes have been fully paid, the Junior Class C Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes have been fully paid, the Subordinated Class D Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes have been fully paid, the Subordinated Class E Noteholders and (ii) it shall have been indemnified to its satisfaction.

- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full. The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition of the Notes 10 is to enforce the Security.

## **12. Indemnification of the Security Trustee**

The Trust Deed contains provisions for the indemnification of the Security Trustee in the circumstances set out therein and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Relevant Documents without accounting for any profit resulting from such transaction.

## **13. Notices**

With the exception of the publications of the Reference Agent in Condition of the Notes 4 and of the Issuer in Condition of the Notes 6, 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 Put Option Notes are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V., in the English language in the Euronext Amsterdam Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V.. 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 Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions of the Notes or any provisions of the Relevant Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or canceling 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 any such class of Notes referred to below as a "**Basic Terms Change**") shall be effective, unless such Basic Terms Change is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below, in which case no such default is required, except 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 Event of Default no such Extraordinary Resolution is required.

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes shall be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, 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 of the relevant Class 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 shall 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 (for an Extraordinary Resolution including a 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 of the relevant Class then represented, except if the Extraordinary Resolution relates to the removal and replacement of any or all of the managing directors of the Security Trustee, in which case at least 30 per cent. of the Notes of the relevant Class should be represented.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes shall take effect, unless it shall have been sanctioned by an Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders and/or the Subordinated Class D Noteholders and/or the Subordinated Class E Noteholders.

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders and/or the Subordinated Class D Noteholders and/or the Subordinated Class E Noteholders shall only be effective when the Security Trustee is of the opinion that it shall not be materially prejudicial to the interests of the Senior Class A Noteholders and/or, as the case may be, the Mezzanine Class B Noteholders and/or, as the case may be, the Junior Class C Noteholders and/or the Subordinated Class D Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders or the Subordinated Class D Noteholders, as the case may be. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which shall be binding on the Mezzanine Class B Noteholders, the Junior Class C Noteholders, the Subordinated Class D Noteholders and the Subordinated Class E Noteholders irrespective of the effect on their interests.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class (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 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. The Security Trustee shall only agree to 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 which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders. Any such 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 shall be deemed not to be materially prejudicial to the interests of the Noteholders, if S&P, Moody's and Fitch have confirmed that the then current ratings of the Notes would 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 of the Notes 13 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 of the Notes) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Mezzanine Class B Noteholders and the Junior Class C Noteholders and the Subordinated Class D Noteholders and the Subordinated Class E Noteholders each as a Class 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. Replacements of Notes and Coupons**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, in the case of Coupons together with the Note and all unmatured Coupons to which they appertain ("*mantel en blad*"), before replacements shall be issued.

#### **16. Governing Law**

The Notes and Coupons are governed by, and shall 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 the Issuer and the Security Trustee irrevocably submit to the exclusive jurisdiction of the District Court in Amsterdam, the Netherlands.

#### **17. Additional obligations**

For as long as the Put Option Notes are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V., the Issuer shall comply with the provisions set forth in Article 2.1.20 Section a-g of Schedule B of the Listing and Issuing Rules ("*Fondsenreglement*") of Euronext Amsterdam N.V. or any amended form of the said provisions as in force at the date of the issue of the Notes.

## THE GLOBAL NOTES

Each Class of Notes will be initially represented by (i) in the case of the Senior Class A Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 584,000,000 (ii) in the case of the Mezzanine Class B Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 13,000,000, (iii) in the case of the Junior Class C Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 8,500,000, (iv) in the case of the Subordinated Class D Notes a Temporary Global Note in bearer form without coupons, in the principal amount of euro 4,500,000, and (v) in case of the Subordinated Class E Notes a Temporary Global Note in bearer form without coupons, in the principal amount of euro 3,050,000. Each Temporary Global Note will be deposited with Citibank N.A., London Branch as common depository for Euroclear and Clearstream, Luxembourg on or about 8 December 2004. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of 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. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) on the Exchange Date for interests in a Permanent Global Note, in bearer form, without coupons, in the principal amount of the Notes of the relevant Class. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common depository.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for Notes in definitive form only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that 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 Notes, which must be made by the holder of a Global Note, for so long as such 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 a Temporary Global Note for a Permanent Global Note, which date will be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For so long as any Notes are represented by a Global Note, such 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 Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to 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 of the Notes 13 (provided that, in the case any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice will be deemed to have been given to the 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.

As long as the Notes are represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Put Option the Noteholder must, within the Put Notice Period, give notice to the Issuer and the Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Paying Agent for notification accordingly.

For so long as a Class of Notes is represented by a 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 that Class of Notes will be deemed to be owner of, and treated by the Issuer and the Security Trustee as a holder of such principal amount of that Class of Notes and the expression Noteholder is without prejudice to the entitlement of the bearer of

relevant 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 Notes and the respective principal amount of such Notes held by them will be conclusive for all purposes.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an 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 8 December 2004, the Issuer or the 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) Senior Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A Notes;
- (ii) Mezzanine Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class B Notes;
- (iii) Junior Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class C Notes;
- (iv) Subordinated Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class D Notes;  
and
- (v) Subordinated Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class E 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.

## TAXATION IN THE NETHERLANDS

### General

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Netherlands tax consequences of a Noteholder who holds a substantial interest (“aanmerkelijk belang”) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer. For the purpose of this summary, the Issuer is considered a resident of the Netherlands for Netherlands tax purposes.

### Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes.

### Corporate Income Tax and Individual Income Tax

#### *Residents of the Netherlands*

If the Noteholder is subject to Netherlands corporate income tax and the Notes are attributable to its (deemed) business assets, income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the Noteholder is an individual, resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual Noteholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- (i) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as “income from miscellaneous activities” (“*resultaat uit overige werkzaamheden*”) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed “regular, active portfolio management” (“*normaal, actief vermogensbeheer*”).
- (iii) If neither condition (i) nor condition (ii) applies to the individual Noteholder, the actual income derived from the Notes and the actual gains realised with respect to the Notes will not be taxable. Instead, such Noteholder will be taxed at a flat rate of 30 per cent. on deemed income from “savings and investments” (“*sparen en beleggen*”) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4 per cent. of the average of the individual’s “yield basis” (“*rendementsgrondslag*”) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual’s yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual’s yield basis.

#### *Non-residents of the Netherlands*

A Noteholder who is not a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes (nor, if he or she is an individual, has opted to be taxed as a resident

of the Netherlands) is not taxable in respect of income derived from the Notes and gains realised upon the redemption and disposal of the Notes, unless:

- (i) the Noteholder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which Netherlands permanent establishment or permanent representative the Notes are attributable; or
- (ii) the Noteholder is an individual and such income or gains qualify as “income from miscellaneous activities” (“*resultaat uit overige werkzaamheden*”) in the Netherlands within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities in the Netherlands with respect to the Notes that exceed “regular, active portfolio management” (“*normaal, actief vermogensbeheer*”).

### **Gift and Inheritance Taxes**

#### *Residents of the Netherlands*

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift.

#### *Non-residents of the Netherlands*

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of gift by, or as a result of the death of, a Noteholder who is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, unless:

- (i) such Noteholder at the time of the gift has or at the time of his or her death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which Netherlands permanent establishment or permanent representative the Notes are or were attributable; or
- (ii) in the case of a gift of the Notes by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

### **Treaties**

Treaties may limit the Netherlands sovereignty to levy gift and inheritance tax.

### **Other Taxes and Duties**

No Netherlands VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

### **EU Savings Directive**

On 3rd June, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income under which Member States will be required, from a date not earlier than 1st July, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).



## **PURCHASE AND SALE**

The Class A Managers have, pursuant to the Notes Purchase Agreement I, jointly and severally agreed with the Issuer, subject to certain conditions, to purchase the Senior Class A Notes at their issue price. The Class B, C and D Manager has, pursuant to the Notes Purchase Agreement II, agreed with the Issuer, subject to certain conditions, to purchase the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes at their respective issue prices. The Seller has, pursuant to Notes Purchase Agreement III, agreed with the Issuer, subject to certain conditions, to purchase the Subordinated Class E Notes at their issue price. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the relevant Class of Notes.

### **United Kingdom**

Each of the Managers has severally but not jointly agreed that (i) it has not offered or sold and, prior to the expiration of the period of six months from the Closing Date, will not offer or sell any Notes to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (iii) it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

### **United States**

The Notes have not been and will not be 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, US persons (as defined in Regulation S under the Securities Act) except to certain persons in offshore transactions in reliance on Regulation S under the Securities Act. Each Manager has agreed severally but not jointly that it will not offer, sell or deliver the Notes, (i) as part of its distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells Notes during such distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of US persons. In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes, including Notes in bearer form, 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 US 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 and regulations thereunder.

### **France**

Each of the Managers has severally but not jointly represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and that it has not distributed or caused to be distributed and has undertaken that it will not distribute or cause to be distributed this Offering Circular or any amendment or supplement to it or any other offering material relating to the Notes to the public in the Republic of France. The Issuer has undertaken not to offer, directly or indirectly, any Notes to the public in the Republic of France.

### **Germany**

Each of the Managers has severally but not jointly acknowledged that the Notes are issued under the "Euro 40,000 Exemption" pursuant to Section 2 No. 4 of the Securities Selling

Prospectus Act of the Federal Republic of Germany (“*Wertpapier-Verkaufsprospektgesetz*”) of December 13, 1990, as amended (the “**Securities Selling Prospectus Act**”) and that no Securities Sales Prospectus (“*Verkaufsprospekt*”) has been published; in particular, the Notes may not be offered in Germany by way of public promotions. Each of the Managers represents and agrees that it has offered and sold and will offer and sell the Notes only (i) in denominations of at least euro 40,000, or (ii) for an aggregate purchase price per purchaser of at least euro 40,000 (or foreign currency equivalent), or (iii) if the selling price for all Notes offered does not exceed euro 40,000 or such other amount as may be stipulated from time to time by applicable German law. In particular, each Manager undertakes not to engage in public offerings in the Federal Republic of Germany with respect to the Notes otherwise than in accordance with the Securities Selling Prospectus Act and any other act replacing or supplementing such Act, and all other applicable laws and regulations.

## **Spain**

The sale of the Notes, by the Managers on behalf of the Issuer or a third party, does not form part of any public offer of such securities in Spain. Each sale of Notes to each investor is an individual transaction and has been negotiated and/or agreed between each investor and the Managers upon each investor's request. Any subsequent transaction any investor executes regarding the Notes, including requesting the Managers to transfer the Notes to any entity managed or controlled by such investor, will be executed on such investor's own behalf only and not on behalf of or for the account of any of the Managers. These Notes may not be directly/indirectly sold, transferred or delivered in any manner, at any time other than to institutional investors in Spain (defined under Spanish Law to include only pension funds, collective investment schemes, insurance companies, banks, saving banks and securities companies).

Each investor will be deemed to have represented that (i) such investor has made its own independent decision to purchase the Notes and have not relied on any recommendation or advice from any of the Managers and (ii) such investor has already has all required information and understand all the indicative terms, conditions and restrictions of these Notes.

## **Italy**

The offering of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to professional investors (*operatori qualificati*) as defined in article 31, second paragraph, of CONSOB Regulation No. 11522 of 1st July, 1998, as successively amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of legislative decree No. 58 of 24th February, 1998 (the Financial Services Act) and article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as successively amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and legislative decree No. 385 of 1st September, 1993 (the Banking Act);
- (b) in compliance with article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending on, *inter alia*, the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and
- (c) in accordance with any other applicable laws or regulations.

## **Notice to investors**

The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered or sold in the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a

transaction not subject to, the registration requirements of the Securities Act and such other laws. Accordingly, the Notes (and any interests therein) are being offered and sold outside the United States to non-US persons in compliance with Regulation S under the Securities Act.

The Notes will bear a legend to the following effect:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE ‘SECURITIES ACT’), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A US PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.”

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

### **General**

The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

## GENERAL INFORMATION

- (1) The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 2 December 2004.
- (2) The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 020720816, ISIN XS0207208165, Fondscodex 15085 and WKN Code AODHAA.
- (3) The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 020720956, ISIN XS0207209569, Fondscodex 15086 and WKN Code AODHAB.
- (4) The Junior Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 020721090, ISIN XS0207210906, Fondscodex 15087 and WKN Code AODHAC.
- (5) The Subordinated Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 020721103, ISIN XS0207211037, Fondscodex 15088 and WKN Code AODHAD.
- (6) The Subordinated Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 20726407 and ISIN XS020764077.
- (7) There has been no material adverse change in the financial position or prospects of the Issuer since 30 November 2004.
- (8) PricewaterhouseCoopers Accountants N.V. has given and have not withdrawn its written consent to the issue of this offering circular with their report included herein in the form and context in which it appears.
- (9) Since its incorporation, the Issuer is not involved in any legal or arbitration proceedings which may have a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.
- (10) Copies of the following documents may be inspected at the specified offices of the Security Trustee during normal business hours:
  - (i) the Deed of Incorporation of the Issuer;
  - (ii) the Mortgage Receivables Purchase Agreement;
  - (iii) the Notes Purchase Agreements;
  - (iv) the Paying Agency Agreement;
  - (v) the Trust Deed;
  - (vi) the Parallel Debt Agreement;
  - (vii) the Trustee Pledge Agreement I;
  - (viii) the Trustee Pledge Agreement II;
  - (ix) the Issuer Services Agreement;
  - (x) the Savings Sub-Participation Agreement;
  - (xi) the GIC;
  - (xii) the Hedging Agreements;
  - (xiii) the Liquidity Facility Agreement;
  - (xiv) the Beneficiary Waiver Agreement;
  - (xv) the Further Advance Sub-Participation Agreement;
  - (xvi) the Master Definitions Agreement; and
  - (xvii) the Seller Account Pledge Agreement.
- (11) The audited financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices.

(12) The articles of association of the Issuer are incorporated herein by reference. A free copy of the Issuer's articles of association is available at the office of the Issuer.

(13) US Taxes:

The Notes will bear a legend to the following effect: *“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code.”*

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## ANNEX A

THE FOLLOWING EXPRESSIONS, AS USED IN THE OFFERING CIRCULAR, HAVE THE FOLLOWING MEANINGS:

“**ABN AMRO**” means ABN AMRO Bank N.V., a public company (“*naamloze vennootschap*”) organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

“**Actual Amount**” means, on any Mortgage Calculation Date, all amounts of principal and interest actually received by the Seller under the Mortgage Receivables during the relevant Mortgage Calculation Period and to be paid to the Issuer;

“**Allianz**” means Allianz Nederland Levensverzekering N.V., a public company, organised under the laws of the Netherlands and established in Utrecht, the Netherlands;

“**Annuity Mortgage Loan**” means any Mortgage Loan under which the Borrower pays a fixed monthly payment, consisting of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion;

“**Assignment Notification Event**” means, *inter alia*, any of the following events:

- (i) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 5 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (ii) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party or any other party (except the Issuer and the Security Trustee) does not comply with any of the obligations under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller or such other party; or
- (iii) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (“*ontbinding*”) and liquidation (“*vereffening*”) or legal demerger (“*juridische splitsing*”) involving the Seller or its assets are placed under administration (“*onder bewind gesteld*”); or
- (iv) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (v) (a) the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of General Motors Acceptance Corporation falls below Ba2 by Moody’s or is withdrawn or (b) the Seller ceases to be a wholly owned indirect subsidiary of General Motors Acceptance Corporation and thereafter the rating assigned to the unsecured, unsubordinated and unguaranteed long term debt obligations of the Seller or the entity of which the Seller becomes the wholly owned (indirect) subsidiary is set or falls below Ba2 by Moody’s or is withdrawn;

“**Bank Mortgage**” means any mortgage right which not only secures the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and monies that the Borrower, now or in the future, may owe to the Seller;

“**Beneficiary Rights**” means the Risk Beneficiary Rights, the Savings Beneficiary Rights and the Life Beneficiary Rights;

“**Beneficiary Waiver Agreement**” means the beneficiary waiver agreement to be entered into by the Seller, the Savings Insurance Companies, the Security Trustee and the Issuer on the Closing Date;

“**BKR**” means the National Credit Register (“*Bureau Krediet Registratie*”);

“**Borrower Insurance Pledge**” means a right of pledge (“*pandrecht*”) in favour of the Seller on the rights of the relevant Borrower against the relevant Insurance Company under the relevant Insurance Policy securing the Savings Mortgage Receivable or the Life Mortgage Receivable or

the Investment Mortgage Receivable, as the case may be, as created under the Mortgage Conditions in the form attached to the Mortgage Receivables Purchase Agreement;

**“Borrower Insurance Proceeds Instruction”** means the irrevocable instruction by the beneficiary under an Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment up to the amount the relevant Borrower now or in the future may owe to the Seller (or any of its successors) under the Mortgage Conditions in the form attached to the Mortgage Receivables Purchase Agreement;

**“Borrower Pledge”** means a right of pledge (*“pandrecht”*) securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge;

**“Borrowers”** means the debtors, including any jointly and severally liable co-debtors, of the Mortgage Receivables;

**“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 or any successor thereto is operating credit or transfer instructions in respect of payments in euro;

**“Citibank”** means Citibank, N.A., acting through its London Branch;

**“Citigroup”** means Citigroup Global Markets Limited, a limited liability company, organised under the laws of England;

**“Class”** means either the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes or the Subordinated Class E Notes;

**“Class A Managers”** means Citigroup and ABN AMRO acting through its London Branch, as purchasers of the Senior Class A Notes under the Notes Purchase Agreement I;

**“Class A Principal Deficiency”** means any Realised Losses debited to the Class A Principal Deficiency Ledger, less any amounts credited to the Class A Principal Deficiency Ledger;

**“Class A Principal Deficiency Ledger”** means a sub-ledger of the Principal Deficiency Ledger;

**“Class B Interest Deficiency Ledger”** means the ledger to which any interest due but not paid in respect of the Mezzanine Class B Notes will be credited in accordance with Condition of the Notes 9(a);

**“Class B Principal Deficiency”** means any Realised Losses debited to the Class B Principal Deficiency Ledger, less any amounts credited to the Class B Principal Deficiency Ledger;

**“Class B Principal Deficiency Ledger”** means a sub-ledger of the Principal Deficiency Ledger;

**“Class B Principal Deficiency Limit”** means the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes;

**“Class B, C and D Manager”** means Citigroup as purchaser of the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes under the Notes Purchase Agreement II;

**“Class C Interest Deficiency Ledger”** means the ledger to which any interest due but not paid in respect of the Junior Class C Notes will be credited in accordance with Condition of the Notes 9(a);

**“Class C Principal Deficiency”** means any Realised Losses debited to the Class C Principal Deficiency Ledger, less any amounts credited to the Class C Principal Deficiency Ledger;

**“Class C Principal Deficiency Ledger”** means a sub-ledger of the Principal Deficiency Ledger;

**“Class C Principal Deficiency Limit”** means the aggregate Principal Amount Outstanding of the Junior Class C Notes;

**“Class D Interest Deficiency Ledger”** means the ledger to which any interest due but not paid in respect of the Subordinated Class D Notes will be credited in accordance with Condition of the Notes 9(a);

**“Class D Principal Deficiency”** means any Realised Losses debited to on the Class D Principal Deficiency Ledger, less any amounts credited to the Class D Principal Deficiency Ledger;

**“Class D Principal Deficiency Ledger”** means a sub-ledger of the Principal Deficiency Ledger;

**“Class D Principal Deficiency Limit”** means the aggregate Principal Amount Outstanding of the Subordinated Class D Notes;

**“Class E Interest Deficiency Ledger”** means the ledger to which any interest due but not paid in respect of the Subordinated Class E Notes will be credited in accordance with Condition of the Notes 9(a);

**“Clean-Up Call Option”** means the option (but not an obligation) of the Issuer, by giving notice to the Noteholders not more than 60 days and not less than 30 days prior to the Quarterly Calculation Date, to redeem all of the Notes in whole but not in part, at their Principal Amount Outstanding. If on any Quarterly Payment Date the aggregate Principal Amount Outstanding of the Put Option Notes is not more than 10 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes on the Closing Date or, in case of a Principal Shortfall in respect of any Class of Notes, partially redeem the Notes of the relevant Class of Notes at their Principal Amount Outstanding less such Principal Shortfall, together with accrued but unpaid interest up to but excluding such Quarterly Calculation Date;

**“Clearstream, Luxembourg”** means Clearstream Banking, société anonyme;

**“Closing”** and **“Closing Date”** means 8 December 2004 (or such later date as may be agreed between the Issuer and the Managers);

**“Collection Account”** means the account of the Issuer maintained with the GIC Provider, to which, *inter alia*, all amounts of interest, Prepayment Penalties, principal and all other collections received under the Mortgage Loans relating to the Mortgage Receivables will be transferred by the Seller in accordance with the Mortgage Receivables Purchase Agreement or, as the case may be, the MPT Provider in accordance with the Issuer Services Agreement;

**“Conditions of the Notes”** means the terms and conditions endorsed on (or incorporated by reference) to any Class of Notes in the form or substantially in the form set out in section Terms and Conditions of the Notes;

**“Construction Account”** means the account of the Issuer held with the GIC Provider to which on the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited;

**“Construction Amount”** means such part of a Mortgage Loan that at the request of the relevant Borrower is withheld by the Seller on deposit to be paid out for the building or improvements of the Mortgaged Assets;

**“DBV”** means DBV Levensverzekeringsmaatschappij N.V., a public company organised under the laws of the Netherlands and established in Zeist, the Netherlands;

**“Defaulted Loan Services”** means the arrears management activities in respect of Mortgage Receivables which are in arrears for at least 1 day;

**“Deferred Purchase Price”** is part of the purchase price for the Mortgage Receivables and will be equal to the sum of all Deferred Purchase Price Instalments;

**“Deferred Purchase Price Instalment”** is equal to (i) prior to the Enforcement Date, the positive difference, if any, between the Notes Interest Available Amount as calculated on each Quarterly Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (w) and (ii) after the Enforcement Date, the amount remaining after payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (u) have been made on such date;

**“Delinquent Mortgage Receivables”** means (i) Mortgage Receivables under which amounts, which are due and payable, have remained unpaid for a consecutive period exceeding 90 days or (ii) in respect of Mortgage Receivables which have remained unpaid for less than 90 days and for which an instruction has been given to the civil-law notary to commence foreclosure proceedings;

**“Delinquent Quotient”** means the sum of the aggregate Outstanding Principal Amount of Mortgage Loans associated with the Mortgage Receivables in arrears for a period exceeding 60 days divided by the aggregate Outstanding Principal Amount of the Mortgage Loans associated with the Mortgage Receivables;



“**Director**” means Amsterdamsch Trustee’s Kantoor B.V. as sole director of the Security Trustee and ATC Management B.V. as sole director of the Issuer and Stichting Holding;

“**Enforcement Date**” means the date of an Enforcement Notice;

“**Enforcement Notice**” means a notice referred to in Condition of the Notes 10;

“**Euribor**” has the meaning ascribed to it in the Condition of the Notes 4;

“**euro**” means the currency of the member states of the European Union that adopt a single currency in accordance with the treaty establishing the European Communities, as amended by the Treaty on the European Union;

“**Euroclear**” means Euroclear Bank S.A./N.V. or its successors, as operator of the Euroclear System;

“**Euronext Amsterdam**” means the Official Segment of the stock market of Euronext Amsterdam N.V.;

“**Excess Mortgage Receivables**” means, on any day, any Mortgage Receivables selected at random in an amount up to the amount by which the aggregate Outstanding Principal Amount of the Mortgage Receivables exceeds the aggregate Principal Amount Outstanding of the Notes on such day;

“**Excess Swap Collateral**” means an amount equal to the value of any collateral transferred to the Issuer by a Hedging Counterparty under an ISDA Master Agreement in respect of a Hedging Agreement that is in excess of such Hedging Counterparty’s liability to the Issuer thereunder (i) as at the date such Hedging Agreement is terminated or (ii) that is otherwise due to such Hedging Counterparty in accordance with the terms of such ISDA Master Agreement;

“**Exchange Date**” means the date at least 40 days after the issue of the Notes;

“**Extension Margin Agent**” means Citigroup;

“**Extension Margins**” means the margins applicable to each Class of Notes as of the First Put Date in accordance with Condition of the Notes 4;

“**Final Maturity Date**” means the Quarterly Payment Date falling in January 2037;

“**First Put Date**” means the Quarterly Payment Date falling in January 2012;

“**Fitch**” means Fitch Ratings Ltd.;

“**Floating Rate Interest Period**” means the successive quarterly interest periods in which interest on the Notes will be payable, which will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in January 2005;

“**Foreclosure Value**” means the foreclosure value of the mortgaged property as valued (i) when application for a mortgage loan was made, based on an existing tax assessment or (ii) by an independent qualified appraiser, provided that such assessment is not older than one year;

“**Further Advance**” means a loan or a further advance to be made to a Borrower under the relevant Mortgage Loan pursuant to and in accordance with the Mortgage Conditions, which will (also) be secured by the Mortgage;

“**Further Advance Participant**” means GMAC RFC Nederland, in its capacity as further advance participant under the Further Advance Sub-Participation Agreement;

“**Further Advance Participation**” means, on any Quarterly Calculation Date, in respect of each Further Advance Receivable, an amount equal to the Further Advance;

“**Further Advance Receivable**” means any and all rights of the Seller against any Borrower under or in connection with any Further Advance;

“**Further Advance Sub-Participation Agreement**” means the further advance sub-participation agreement to be entered into by the Issuer and the Further Advance Participant on the Closing Date;

“**GIC**” means the guaranteed investment contract to be entered into by the Issuer and the GIC Provider on the Closing Date;

“**GIC Provider**” means ABN AMRO in its capacity as GIC Provider under the GIC;

**“Global Notes”** means the Temporary Global Notes and the Permanent Global Notes;

**“GMAC RFC Nederland”** means GMAC RFC Nederland B.V., a private company with limited liability organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

**“Hedging Agreement”** means the Swap Agreement and any Reset Swap Agreement, as the case may be;

**“Hedging Counterparty”** means the Swap Counterparty and any suitably rated counterparty to any Hedging Agreement, as the case may be;

**“Initial Margins”** means the margins which will be applicable up to (but excluding) the First Put Date and be equal to 0.13 per cent. per annum for the Senior Class A Notes, 0.32 per cent. per annum for the Mezzanine Class B Notes, 0.62 per cent. per annum for the Junior Class C Notes, 0.95 per cent. per annum for the Subordinated Class D Notes and 3.30 per cent. per annum for the Subordinated Class E Notes;

**“Initial Participation”** means, in respect of each of the Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element, the amount of the participation therein being (a) at Closing for each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element an amount equal to the Savings Premium received by the relevant Savings Insurance Company from the Borrower in a month increased by  $(IR/12) \times S$  for each month on a capitalised basis from the month of first payment of savings premium by the relevant Borrower up to, but excluding, the first day of November 2004 and accrued interest thereon, being the amount of euro 112,305 or (b) in case of (i) a purchase and assignment of New Mortgage Receivables, but excluding for the avoidance of doubt any Further Advance Receivables to which a Savings Insurance Policy and/or Life Insurance Policy with the Savings Alternative is connected or (ii) a switch from any type of Mortgage Loan other than a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, into a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, at the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date an amount equal to the Savings Premium received by the relevant Savings Insurance Company from the Borrower in a month increased by  $(IR/12) \times S$  for each month up to the first day of the month wherein the relevant Mortgage Payment Date falls increased with accrued interest thereon on a capitalised basis, whereby  $IR$  = the interest rate on such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element and  $S$  = the Savings Premium;

**“Initial Purchase Price”** means the aggregate Outstanding Principal Amount at the Cut-off Date of euro 426,872,688, which shall be payable on the Closing Date or, in respect of the New Mortgage Receivables, on the relevant Pre-funding Purchase Date or, in respect of the Further Advance Receivables, on the relevant Quarterly Payment Date;

**“Insurance Companies”** means the Life Insurance Companies and the Savings Insurance Companies;

**“Insurance Policies”** means the Life Insurance Policies, the Risk Insurance Policies and the Savings Insurance Policies and combinations thereof;

**“Interest-only Mortgage Loans”** means any Mortgage Loan in respect of which the Borrower does not pay principal towards redemption of the relevant Mortgage Receivable until maturity of the Mortgage Receivable;

**“Investment Account”** means, in respect of Investment Mortgage Loans, the investment account of the relevant Borrower to which monthly instalments are transferred and on which its investments are administered;

**“Investment Mortgage Loans”** means any Mortgage Loan in respect of which the Borrower does not pay principal prior to maturity, but undertakes to invest, whether or not on an instalment basis or up front, an agreed minimum amount in certain investment funds;

**“Investment Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any Investment Mortgage Loans;

**“ISDA Definitions”** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“ISDA”);

**“ISDA Master Agreement”** means the 1992 ISDA Master Agreement (Multicurrency Cross Border), as published by ISDA, and the Schedule thereto, as amended from time to time, governed by English law;

**“Issuer”** means E-MAC NL 2004-II B.V., a private company with limited liability organised under the laws of the Netherlands and established in Amsterdam;

**“Issuer Administrator”** means GMAC RFC Nederland, in its capacity as Issuer Administrator of the Issuer under the Issuer Services Agreement or its successor or successors;

**“Issuer Services Agreement”** means the issuer services agreement to be entered into by the Issuer Administrator, the MPT Provider, the Issuer and the Security Trustee on the Closing Date;

**“Junior Class C Noteholders”** means the several persons who are for the time being holders of any Junior Class C Notes, including the coupons appertaining thereto;

**“Junior Class C Notes”** means the euro 8,500,000 Junior Class C Mortgage-Backed Notes 2004 due 2037;

**“Life Beneficiary Rights”** means all claims which the Seller or, after assignment to the Issuer, the Issuer has or will have on a Life Insurance Company in respect of any Life Insurance Policy under which the Seller has been appointed by the Borrower/insured as first beneficiary (“begunstigde”) in connection with the Life Mortgage Receivables;

**“Life Insurance Company”** means Universal, DBV or Allianz or any other insurance company;

**“Life Insurance Policy”** means a risk insurance policy taken by any Borrower with any of the Life Insurance Companies, which pays out upon the death of the insured, combined with a capital insurance policy which pays out on an agreed date (which may not necessarily be the date on which the Mortgage Loan is repayable) any amount (which may be less than the Outstanding Principal Amount under the Mortgage Loan). Life Insurance Policies are offered in three alternatives by the Life Insurance Companies. In the first alternative, the insured opts for a guaranteed amount to be received when the Life Insurance Policy pays out. The other alternatives are the Unit-Linked Alternative and the Savings Alternative;

**“Life Mortgage Loans”** means Mortgage Loans which have the benefit of Life Insurance Policies;

**“Life Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any Life Mortgage Loans;

**“Liquidity Facility Agreement”** means the up to 364 day term liquidity facility agreement to be entered into by the Issuer and the Liquidity Facility Provider and the Security Trustee at the Closing Date;

**“Liquidity Facility Maximum Amount”** means, on each Quarterly Calculation Date, the higher of (a) an amount equal to 3.0 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes on such date and (b) 0.60 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes on the Closing Date;

**“Liquidity Facility Provider”** means ABN AMRO in its capacity as liquidity facility provider under the Liquidity Facility Agreement;

**“Liquidity Facility Stand-by Drawing”** means the drawing of the Issuer of the entirety of the undrawn portion of the Liquidity Facility if (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than A-1+ by S&P and/or Prime-1 by Moody’s and/or F1 by Fitch or (b) the Liquidity Facility Provider does not extend the Liquidity Facility notwithstanding the request of the Issuer;

**“Liquidity Facility Stand-by Ledger”** means the ledger corresponding to the Collection Account to which Liquidity Facility Stand-by Drawing will be credited;

**“Liquidity Facility Subordinated Amount”** means, with respect to any Quarterly Payment Date after the First Put Date, the sum of (i) the positive difference between the commitment fee after the First Put Date and the commitment fee before the First Put Date per annum calculated by reference to the daily undrawn and uncanceled amount of the Liquidity Facility Maximum Amount during the Quarterly Calculation Period immediately preceding such Quarterly Payment Date, (ii) the positive difference between the interest rate after the First Put Date and the interest rate before the First Put Date per annum calculated by reference to the amount drawn under the Liquidity Facility during the Quarterly Calculation Period immediately preceding such Quarterly Payment Date; and (iii) any amounts payable under Clause 9.2 of the Liquidity Facility Agreement;

“**LTFV-ratio**” means the quotient of the aggregate Outstanding Principal Amount of a Mortgage Loan divided by the Foreclosure Value of the mortgaged property.

“**Management Agreements**” means the management agreements entered into by, *inter alia*, (i) Stichting Holding and ATC Management B.V., (ii) the Issuer and ATC Management B.V. and (iii) the Security Trustee and Amsterdamsch Trustee’s Kantoor B.V., all at the date hereof;

“**Managers**” means the Class A Managers and the Class B, C and D Manager;

“**Mezzanine Class B Noteholders**” means the several persons who are for the time being holders of any Mezzanine Class B Notes, including the coupons appertaining thereto;

“**Mezzanine Class B Notes**” means the euro 13,000,000 Mezzanine Class B Mortgage-Backed Notes 2004 due 2037;

“**Monthly Savings Participation Increase**” is calculated by application of the following formula:

$(P \times I) + S$ , whereby

P = Participation Fraction;

S = the amount of the Savings Premium received by the relevant Savings Insurance Company in such Mortgage Calculation Period in respect of the relevant Savings Mortgage Receivable or, as the case may be, the Life Mortgage Receivable with a Savings Element and paid to the Issuer on the Mortgage Payment Date by the relevant Savings Insurance Company pursuant to the Savings Sub-Participation Agreement; and

I = the amount of interest due by the Borrower on the Savings Mortgage Loan or the relevant Life Mortgage Loan with a Savings Element and actually received by the Issuer in such Mortgage Calculation Period;

“**Moody’s**” means Moody’s Investors Service Limited;

“**Mortgage**” means a mortgage right (“*hypotheekrecht*”) securing the relevant Mortgage Receivable;

“**Mortgage Calculation Period**” means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month, except for the first Calculation Period which commences on (and includes) the first day of November 2004 and ends on (and includes) 31 December 2004;

“**Mortgage Conditions**” means, in relation to a Mortgage Loan, the terms and conditions applicable to the Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for mortgages of the Seller from time to time in effect;

“**Mortgaged Assets**” means (i) a real property (“*onroerende zaak*”), (ii) an apartment right (“*appartementsrecht*”) or (iii) a long lease (“*erfpachtsrecht*”) situated in the Netherlands;

“**Mortgage Loans Criteria**” means the criteria relating to the Mortgage Loans, which are set forth in *Mortgage Receivables Purchase Agreement*;

“**Mortgage Loans**” means the loans granted by the Seller to the relevant Borrowers, as evidenced by the relevant loan agreements, which may consist of one or more loan-parts (“*leningdelen*”) as attached to the Mortgage Receivables Purchase Agreement and to the Deed of Assignment thereto, provided that after any purchase and assignment of New Mortgage Receivables having taken place in accordance with the Mortgage Receivables Purchase Agreement and, as the case may be, Further Advance Receivables having taken such New Mortgage Loans and any such Further Advances;

“**Mortgage Payment Date**” means the seventh business day following the last day of each Mortgage Calculation Period;

“**Mortgage Receivables**” means any and all rights of the Seller against any Borrower under or in connection with any Mortgage Loans, including for the avoidance of doubt, upon the purchase and assignment of New Mortgage Receivables, such New Mortgage Receivables, and, upon the purchase of any receivables resulting from the granting of a further advance, such Further Advance Receivables;

**“Mortgage Receivables Purchase Agreement”** means the mortgage receivables purchase agreement to be entered into by the Seller, the Issuer and the Security Trustee on 7 December 2004;

**“MPT Provider”** means GMAC RFC Nederland in its capacity of MPT Provider under the Issuer Services Agreement and its successor or successors;

**“Net Proceeds”** means (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any Insurance Policies in connection with the Mortgage Receivable, including but not limited to fire insurance and Insurance Policies, (d) the proceeds of any guarantees or sureties and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Mortgage Receivable;

**“New Mortgage Receivable”** means any and all rights of the Seller against any Borrower under or in connection with any mortgage loan between the Seller and that Borrower which meets the Mortgage Loans Criteria and which are, for the avoidance of doubt, purchased by the Issuer after the Closing Date;

**“Noteholders”** means the several persons who are for the time being holders of any Notes;

**“Notes”** means the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes, the Subordinated Class D Notes and the Subordinated Class E Notes;

**“Notes Interest Available Amount”** shall mean, on any Quarterly Calculation Date, the sum of the following amounts received by the Issuer during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date:

- (i) as interest on the Mortgage Receivables, less, with respect to each (x) Savings Mortgage
- (ii) Receivable and Life Mortgage Receivable with a Savings Element and (y) Further Advance Receivable an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iii) as interest credited to the Transaction Accounts, excluding the Construction Account;
- (iv) as Prepayment Penalties under the Mortgage Receivables;
- (v) as Net Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal, less, with respect to each (x) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element and (y) Further Advance an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (vi) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) on the immediately succeeding Quarterly Payment Date;
- (vii) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;
- (viii) as amounts to be received from the Hedging Counterparties under the Hedging Agreements on the immediately succeeding Quarterly Payment Date;
- (ix) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal, less, with respect to each (x) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element and (y) Further Advance an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (x) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed or the Issuer Services Agreement to the extent such amounts do not relate to principal less with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received in respect of the Further Advance Receivable, multiplied by the Participation Fraction;

- (xi) as amounts received as post-foreclosure proceeds on the Mortgage Receivables and Further Advance Receivables, less in respect of each Further Advance Receivable an amount equal to the amount received in respect of such Further Advance Receivable multiplied by the relevant Participation Fraction as calculated at the time the foreclosure procedures commenced; and
- (xii) as amounts standing to the credit of the Collection Account after all Put Option Notes have redeemed in full;

**“Notes Purchase Agreement I”** means a notes purchase agreement dated 7 December 2004, among the Class A Managers, the Issuer and the Seller to purchase the Senior Class A Notes at their issue price;

**“Notes Purchase Agreement II”** means a notes purchase agreement dated 7 December 2004, among the Class B, C and D Manager, the Issuer and the Seller, to purchase the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes at their respective issue prices;

**“Notes Purchase Agreement III”** means a notes purchase agreement dated 7 December 2004, among the Seller and the Issuer, to purchase the Subordinated Class E Notes at their issue prices;

**“Note Purchase Agreements”** means the Notes Purchase Agreement I, the Notes Purchase Agreement II and the Notes Purchase Agreement III;

**“Notes Redemption Available Amount”** shall mean, on any Quarterly Calculation Date, the aggregate amount received by the Issuer during the immediately preceding Quarterly Calculation Period as items (i) through (xii), to the extent not applied towards payment of the initial purchase price of New Mortgage Receivables and/or Further Advance Receivables:

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, from any person (including any Insurance Company), whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any, less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (ii) as Net Proceeds, to the extent such proceeds relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iv) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal less, with respect to each (y) Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation and (z) Further Advance, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (v) as amounts of interest received to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;
- (vi) as Monthly Savings Participation Increase pursuant to the Savings Sub- Participation Agreement;
- (vii) as partial prepayment in respect of Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, less, in respect of a Further Advance, an amount equal to the amount received on each Further Advance Receivable, multiplied by the relevant Participation Fraction;

- (viii) as amounts standing to the credit of the Pre-funded Account upon the expiry of the Pre-funding Period;
- (ix) as amounts received on the Collection Account from the credit of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement;
- (x) as consideration for the Initial Participation pursuant to the Savings Sub- Participation Agreement, and as consideration for the Further Advance Participation pursuant to the Further Advance Sub-Participation Agreement;
- (xi) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Quarterly Payment Date; and
- (xii) as amounts received as the Servicing Advance on a Put Date;

**"Notification Events"** (each a "Notification Event") means the Assignment Notification Events and the Trustee I Notification Events;

**"Notional Adjustment Payment"** means, on any Quarterly Payment Date, the amount to be paid by the Issuer to a Hedging Counterparty or by a Hedging Counterparty to the Issuer as a result of the amortisation rate of the Notional Amount (i) varying from the expected rate of amortisation under the Swap Agreement or (ii) varying from the expected rate of amortisation under a Reset Swap Agreement in accordance with the terms of the relevant hedging agreement;

**"Notional Amount"** means (i) in respect of the Swap Agreement, an amount equal to the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the Mortgage Receivables less (a) the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the Mortgage Receivables in respect of which a Reset Swap Agreement has been entered into, (b) the aggregate Outstanding Principal Amount of the Mortgage Loans relating to the Mortgage Receivables in respect of which the interest rate is reset on a monthly basis and (c) the relevant Participations on the first day of the relevant Floating Rate Interest Period or (ii) in respect of a Reset Swap Agreement, an amount equal to the aggregate Outstanding Principal Amount of the Reset Mortgage Receivables in relation to that Reset Swap Agreement less the relevant Participations on the effective date of that Reset Swap Agreement;

**"Other Claims"** means any claims of the Seller vis-à-vis the Borrower, including claims resulting from the acquisition of loans granted to or the granting of loans to such Borrower, which are secured by the Mortgage or Borrower Pledge vested by such Borrower to secure the Mortgage Receivable;

**"Outstanding Principal Amount"** means, at any moment in time, the principal balance of a Mortgage Receivable at such time and, after a Realised Loss has occurred in respect of such Mortgage Receivable, zero;

**"Parallel Debt"** means an amount equal to the aggregate amount due ("*verschuldigd*") by the Issuer to the Secured Parties under or in connection with the respective Relevant Documents;

**"Parallel Debt Agreement"** means the parallel debt agreement to be entered into by the Issuer, the Security Trustee and the Secured Parties in the Closing Date;

**"Participants"** means the Savings Insurance Companies and the Further Advance Participant;

**"Participations"** means the Savings Participation and the Further Advance Participation collectively;

**"Participation Fraction"** means, in respect of a Savings Mortgage Receivable, a Life Mortgage Receivable with a Savings Element and a Further Advance Receivable, an amount equal to the relevant Participation divided by the relevant Outstanding Principal Amount;

**"Participation Maximum Amount"** means, at any time, in respect of each Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Further Advance Receivable, the relevant Outstanding Principal Amount at such time;

**"Participation Redemption Available Amount"** means, on each Mortgage Payment Date, an amount equal to the relevant Participation in each of the Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Further Advance Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment under the relevant Mortgage Loan to which the Mortgage

Receivables relates from any person, excluding Prepayment Penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Savings Mortgage Loans or Life Mortgage Loans with a Savings Element, (ii) in connection with a repurchase of Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Further Advance Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Further Advance Receivables pursuant to the Trust Deed and the Issuer Services Agreement to the extent such amounts relate to principal, (iv) by means of the consideration in respect of a Further Advance Participation, (v) by means of an Initial Participation in a Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element as a result of a switch of any type of Mortgage Loan which is subject to a Savings Participation with the Seller pursuant to the Savings Sub-Participation Agreement, into a Savings Mortgage Receivables or a Life Mortgage Receivable with a Savings Element; (vi) as post foreclosure proceeds of Further Advance Receivables, multiplied by the Participation Fraction, (vii) as Net Proceeds on any Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element up to the relevant Participation, and (viii) the Net Proceeds on each Further Advance Receivable and the relevant Mortgage Receivable multiplied by the Participation Fraction;

**"Paying Agency Agreement"** means the paying agency agreement to be entered into by the Issuer, the Paying Agent, the Reference Agent and the Extension Margin Agent and the Security Trustee on the Closing Date;

**"Paying Agent"** means ABN AMRO in its capacity as paying agent under the Paying Agency Agreement;

**"Permanent Global Notes"** means the permanent global note of each Class of Notes;

**"Pledge Agreements"** means the Trustee Pledge Agreement I and the Trustee Pledge Agreement II;

**"Pre-funded Account"** means the account of the Issuer held with the GIC Provider to which on Closing Date the Pre-funded Amount will be credited;

**"Pre-funded Amount"** means an amount of euro 183,239,617 of the net proceeds from the issue of the Notes;

**"Pre-funding Period"** means the period commencing on the Closing Date and ending on (but excluding) 1 April 2005;

**"Pre-funding Purchase Date"** means any business day of each month during the Pre-funding Period;

**"Prepayment Penalties"** means any prepayment penalties ("*boeterente*") to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) otherwise permitted;

**"Previous Transactions Security Trustees"** means Stichting Security Trustee PREEMAC NL, Stichting Security Trustee EMAC NL 2002-I, Stichting Security Trustee E-MAC NL 2003-I, Stichting Security Trustee EMAC NL 2003-II and Stichting Security Trustee E-MAC NL 2004-I collectively;

**"Previous Transactions SPVs"** means PREEMAC NL B.V., EMAC NL 2002-I B.V., E-MAC NL 2003-I B.V., EMAC NL 2003-II B.V. and E-MAC NL 2004-I B.V. collectively;

**"Principal Amount Outstanding"** means on any Quarterly Calculation Date of any Note the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts (as defined in Condition of the Notes 6(c)) in respect of that Note that have become due and payable prior to such Quarterly Calculation Date;

**"Principal Deficiency"** means the sum of the Class A Principal Deficiency, the Class B Principal Deficiency, the Class C Principal Deficiency and the Class D Principal Deficiency;

**"Principal Deficiency Ledger"** means the ledger comprising of four sub ledgers for each Class of Notes to which any Realised Losses are credited;



**“Principal Shortfall”** means an amount equal to the quotient of the balance of the relevant sub-ledger of the Principal Deficiency Ledger, divided by the number of Notes of the relevant Class of Notes on such Quarterly Payment Date;

**“Purchase Available Amount”** means, at any Mortgage Calculation Date, the sum of (i) during the Pre-funding Period the balance standing to the credit of the Pre-funding Account and (ii) up to the Quarterly Payment Date immediately preceding the Final Maturity Date, any amounts received as a result of a repurchase by the Seller of Mortgage Receivables, to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable and, each Life Mortgage Receivable with a Savings Element and, as the case may be, each Further Advance Receivable the Participation and increased with an amount equal to the Initial Participation of any New Mortgage Receivables to which a Savings Insurance Policy or a Life Insurance Policy with a Savings Alternative is connected, to be purchased on the relevant Pre-funding Purchase Date or the relevant Mortgage Payment Date;

**“Put Date”** means the First Put Date or any Quarterly Payment Date thereafter;

**“Put Notice”** means a duly completed and signed notice of exercise in the form obtainable from the Issuer or, in case the Notes are held through Euroclear or Clearstream, Luxembourg, such notice as required by Euroclear and Clearstream, Luxembourg;

**“Put Notice Period”** means the period not less than 11 days (unless such 11th day is not a business day, in which case the immediately preceding day) and not more than 20 days prior to the relevant Put Date;

**“Put Option”** means the right of each Noteholder to offer the Notes for redemption on the Put Date in accordance with Condition of the Notes 6(e);

**“Put Option Notes”** means the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes jointly;

**“Put Option Noteholders”** means the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders;

**“Quarterly Calculation Date”** means, in relation to a Quarterly Payment Date, the third business day prior to such Quarterly Payment Date;

**“Quarterly Calculation Period”** means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date;

**“Quarterly Payment Date”** the 25th day of January, April, July and October (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day) in each year;

**“Rating Agencies”** (each a **“Rating Agency”**) means S&P, Moody's and Fitch;

**“Realised Losses”** means, on any Quarterly Calculation Date, the sum of (I) the amount of the difference between (a) the aggregate Outstanding Principal Amount on all Mortgage Receivables and Further Advance Receivables on which the Seller or, the Issuer or the Security Trustee has foreclosed from the Closing Date up to and including such Quarterly Calculation Date and (b) the sum of (i) the Net Proceeds on the Mortgage Receivables other than the Savings Mortgage Receivables, the Life Mortgage Receivables with a Savings Element or, as the case may be, the Further Advance Receivables together with the relevant Mortgage Receivables; and (ii) the Net Proceeds on the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element up to the amount of the relevant Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element less the Participation and (iii) the *pro rata* Net Proceeds on the Further Advance Receivables and the relevant Mortgage Receivables (by reference to the relevant Further Advance Participation), and (II) with respect to Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (x) the aggregate Outstanding Principal Amounts of such Mortgage Receivables and (y) the purchase price received in respect of such Mortgage Receivables to the extent relating to the principal less the relevant Participations;

**“Reference Agent”** means ABN AMRO in its capacity as reference agent under the Paying Agency Agreement and its successor(s);

**“Relevant Documents”** means the Mortgage Receivables Purchase Agreement, the Master Definitions Agreement, the Deed of Assignment, any Purchase Deed of Assignment the Issuer

Services Agreement, the Pledge Agreements, the Notes Purchase Agreements, the Notes, the Paying Agency Agreement, the Trust Deed, the Hedging Agreements, the Savings Sub-Participation Agreement, the GIC, the Liquidity Facility Agreement, the Further Advance Sub-Participation Agreement, the Management Agreements, the Beneficiary Waiver Agreement, the Seller Account Pledge Agreement and any further documents relating to the transaction envisaged in the above mentioned documents;

**“Required Hedging Counterparty Rating”** means a rating of A-1 by S&P and Prime-1 by Moody’s and F1 by Fitch of the short-term unsecured, unsubordinated and unguaranteed debt obligations of a Hedging Counterparty and A1 by Moody’s and A+ by Fitch of the long-term unsecured, unsubordinated and unguaranteed debt obligations of a Hedging Counterparty;

**“Reserve Account”** means the account maintained with the GIC Provider or such other account approved by the Security Trustee in the name of the Issuer, to which the net proceeds of the Subordinated Class E Notes will be credited;

**“Reserve Account Target Level”** means, on any Quarterly Calculation Date, an amount equal to:

- (i) 0.50 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes at the Closing Date, or
- (ii) 1.35 per cent. of the aggregate Principal Amount Outstanding of the Put Option Notes at the Closing Date, if on such Quarterly Calculation Date the quotient of the aggregate Outstanding Principal Amount of the Mortgage Loans associated with the Delinquent Mortgage Receivables divided by the aggregate Outstanding Principal Amount of the Mortgage Loans on such date exceeds 2.0 per cent., or
- (iii) zero, if on the immediately succeeding Quarterly Payment Date the Put Option Notes will be redeemed in full.

**“Reset Mortgage Receivables”** means the Mortgage Receivables or, as the case may be, the relevant loan part of such Mortgage Receivable of which the rate of interest has been reset in accordance with the Mortgage Conditions excluding, for the avoidance of doubt, the aggregate Outstanding Principal Amount in respect of the Mortgage Loans of which the interest rate is set on a monthly basis;

**“Reset Swap Agreement”** means any interest rate swap transaction entered into pursuant to an ISDA Master Agreement and Confirmation (incorporating the ISDA Definitions) thereunder to be entered into in connection with certain Reset Mortgage Receivables with any Hedging Counterparty;

**“Risk Beneficiary Rights”** means all claims which the Seller or, after assignment to the Issuer, the Issuer or the Security Trustee has or will have on a Life Insurance Company in respect of any Risk Insurance Policy under which the Seller has been appointed by the Borrower/insured as first beneficiary (*“begunstigde”*) in connection with the Investment Mortgage Receivables;

**“Risk Insurance Policy”** means the risk policy (*“risicoverzekering”*) relating to an insurance which pays out upon the death of the insured, taken out by a Borrower with any of the Life Insurance Companies in connection with an Investment Mortgage Loan in certain circumstances and in connection with certain Annuity Mortgage Loans and certain Interest-only Mortgage Loans;

**“S&P”** means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc.;

**“Savings Alternative”** means the alternative under a Life Insurance Policy under which a certain pre-agreed amount to be received upon pay out of the Life Insurance Policy with, in such case, a Savings Insurance Company and the Savings Premium thereof is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Alternative is equal to the Savings Element upon maturity of the Life Mortgage Loan;

**“Savings Beneficiary Rights”** means all claims which the Seller or, after the assignment to the Issuer, the Issuer has or will have on a Savings Insurance Company in respect of any Savings Insurance Policy or Life Insurance Policy with a Savings Alternative under which the Seller has been appointed by the Borrower/insured as first beneficiary (*“begunstigde”*) in connection with the Savings Mortgage Receivables;

**“Savings Element”** means the part of the Life Mortgage Loan to which a Life Insurance Policy with a Savings Alternative is connected;

**“Savings Insurance Companies”** means DBV, Universal and Allianz;

**“Savings Insurance Policy”** means the combined risk and capital insurance policy (“*gecombineerde risico- en kapitaalverzekering*”) taken out by a Borrower with any of the Savings Insurance Companies in connection with any Savings Mortgage Loan;

**“Savings Mortgage Loans”** means the Mortgage Loans entered into by the Seller and the relevant Borrowers combined with a Savings Insurance Policy. Under the Savings Mortgage Loan the Borrower does not pay principal towards redemption of the Savings Mortgage Loan prior to maturity. Instead, the Borrower/insured pays a Savings Premium. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the principal amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan;

**“Savings Mortgage Receivables”** means any and all rights of the Seller against any Borrower under or in connection with any Savings Mortgage Loans;

**“Savings Participation”** means, on any Quarterly Calculation Date, in respect of each Savings Mortgage Receivable or each Life Mortgage Receivable with a Savings Element, an amount equal to the Initial Participation in respect of the relevant Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, increased with the Monthly Savings Participation Increase up to, but not exceeding, the Participation Maximum Amount;

**“Savings Premium”** means the savings part of the premium including any extra instalments, due by the relevant Borrower to the relevant Savings Insurance Company on the basis of the Savings Insurance Policy or the Life Insurance Policy with a Savings Alternative which is calculated in such a way that the Savings Mortgage Loan or the Savings Element or the Life Mortgage Loan can be redeemed with the insurance proceeds at maturity;

**“Savings Sub-Participation Agreement”** means the savings sub-participation agreement entered into by the Issuer the Savings Insurance Companies and the Seller on the Closing Date;

**“Scheduled Amount”** means, with respect to a Mortgage Calculation Period, an amount equal to the sum of interest and principal scheduled to be received under the Mortgage Receivables during such Mortgage Calculation Period;

**“Secured Parties”** means (a) the Noteholders, (b) the Directors, (c) the Issuer Administrator, (d) the MPT Provider, (e) the Paying Agent, (f) the Reference Agent, (g) the Swap Counterparty, (h) the Liquidity Facility Provider, (i) the Further Advance Participant, (j) the Savings Insurance Companies, (k) the Seller and (l) any other Hedging Counterparty;

**“Security Act”** means the United States Securities Act 1933, as amended;

**“Security Trustee”** means Stichting Security Trustee E-MAC NL 2004-II, a foundation (“*stichting*”) organised under the laws of the Netherlands and established in Amsterdam, the Netherlands;

**“Seller”** means GMAC RFC Nederland;

**“Seller Account Pledge Agreement”** means the pledge agreement to be entered into between the Seller, ABN AMRO, the Previous Transactions SPVs, the Previous Transactions Security Trustees and the Issuer on or prior to the Closing Date;

**“Seller Collection Account”** means the account of the Seller maintained with ABN AMRO to which all amounts of interest, Prepayment Penalties, principal and all other collections received under all mortgage receivables relating to Mortgage Loans are paid by the Borrowers;

**“Senior Class A Noteholders”** means the several persons who are for the time being holders of any Senior Class A Notes, including the coupons appertaining thereto;

**“Senior Class A Notes”** means the euro 584,000,000 Senior Class A Mortgage- Backed Notes 2004 due 2037;

**“Servicing Advance”** means the advance made by the MPT Provider or any other party to the Issuer pursuant to the Issuer Services Agreement to enable the Issuer to redeem the Put Option Notes on the relevant Put Date;

**“State”** means the State of the Netherlands;

**“STATER”** means STATER Nederland B.V., a private company with limited liability organised under the laws of the Netherlands and established in Amersfoort, the Netherlands;

**“Stichting Holding”** means Stichting E-MAC NL Holding, a foundation organised under the laws of the Netherlands, and established in Amsterdam;

**“Subordinated Class D Noteholders”** means the several persons who are for the time being holders of any Subordinated Class D Notes, including the coupons appertaining thereto;

**“Subordinated Class D Notes”** means the euro 4,500,000 Subordinated Class D Mortgage-Backed Notes 2004 due 2037;

**“Subordinated Class E Noteholders”** means the several persons who are for the time being holders of any Subordinated Class E Notes, including the coupons appertaining thereto;

**“Subordinated Class E Notes”** means the euro 3,050,000 Subordinated Class E Notes 2004 due 2037;

**“Subordinated Extension Interest Part”** means, with respect to a Quarterly Calculation Period after the First Put Date, an amount equal to the positive difference, if any, between (a) the sum of Euribor increased with the relevant Extension Margin multiplied by the aggregate Principal Amount Outstanding of the relevant Class of Notes and (b) the sum of Euribor increased with the relevant Initial Margin multiplied by the aggregate Principal Amount Outstanding of the relevant Class of Notes;

**“Sub-Participation Agreements”** means the Savings Sub-Participation Agreement and the Further Advance Sub-Participation Agreement;

**“Swap Agreement”** means the interest rate swap transaction entered into pursuant to an ISDA Master Agreement and Confirmation (incorporating the ISDA Definitions) thereunder to be entered into by the Swap Counterparty and the Issuer on the Closing Date in connection with the Mortgage Receivables, excluding the Reset Mortgage Receivables;

**“Swap Counterparty”** means ABN AMRO, acting through its London Branch in its capacity as swap counterparty under the Swap Agreement;

**“Swap Subordinated Amount”** means,

- (i) prior to the Enforcement Date, with respect to a Quarterly Payment Date:
  - (a) the aggregate of Notional Adjustment Payments, if any, due but unpaid by the Issuer under the Swap Agreement or any Reset Swap Agreement only to the extent such amount exceeds the Prepayment Penalties;
  - (b) payments due from the Issuer under any Hedging Agreement after the First Put Date corresponding to that portion, if any, of the increase in any fixed swap rates in the relevant Hedging Agreement that is in excess of 0.15 per cent.;
  - (c) any termination payment due from the Issuer under a Hedging Agreement following an Event of Default (as defined in the relevant Hedging Agreement) where the Hedging Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement);
  - (d) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under any Hedging Agreement following an Additional Termination Event (as defined in the relevant Hedging Agreement) triggered by a failure of the Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating;
- (ii) following the Enforcement Date:
  - (a) payments due from the Issuer under any Hedging Agreement after the First Put Date corresponding to that portion, if any, of the increase in any fixed swap rates in the relevant Hedging Agreement that is in excess of 0.15 per cent.;
  - (b) any termination payment due from the Issuer under a Hedging Agreement following an Event of Default (as defined in the relevant Hedging Agreement) where the Hedging Counterparty is the Defaulting Party (as defined in the relevant Hedging Agreement);
  - (c) except to the extent that any premium is received by the Issuer from a replacement Hedging Counterparty, any termination payment due from the Issuer under the Hedging Agreement following an Additional Termination Event (as

defined in the relevant Hedging Agreement) triggered by the failure of the Hedging Counterparty to comply with the requirements under the relevant Hedging Agreement following the loss of the Required Hedging Counterparty Rating;

**“Target Amortisation Date”** means the Quarterly Payment Date falling in January 2009;

**“Target Amortisation Event”** means, on the Target Amortisation Date or on any Quarterly Payment Date after the Target Amortisation Date, any of the following (a) the balance standing to the credit of the Reserve Account is less than the Reserve Account Target Level or (b) the Delinquent Quotient is equal to or higher than 1.5 per cent. or (c) any drawing under the Liquidity Facility is not repaid or a drawing under the Liquidity Facility is made on such date or (d) there is a balance on the Principal Deficiency Ledger;

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System, or any successor thereto;

**“Temporary Global Notes”** means the temporary global notes to be issued in respect of each Class of Notes;

**“Transaction Accounts”** means the Collection Account, the Reserve Account, the Pre-funded Account and the Construction Account;

**“Transaction Accounts Balances”** means, at any day, the balances standing to the credit of each of the Transaction Accounts at the close of business of such day;

**“Trust Deed”** means the trust deed to be entered into by the Security Trustee, Stichting Holding and the Issuer on the Closing Date;

**“Trustee I Notification Events”** means the Assignment Notification Events and similar events relating to the Issuer;

**“Trustee Pledge Agreement I”** means the pledge agreement to be entered into by the Security Trustee, the Savings Insurance Companies and the Issuer on the Closing Date;

**“Trustee Pledge Agreement II”** means the pledge agreement to be entered into by the Issuer, the Security Trustee and certain other parties on the Closing Date;

**“Unit-Linked Alternative”** means the alternative under a Life Insurance Policy under which the amount to be received upon pay out of the Life Insurance Policy depends on the performance of certain investment funds chosen by the insured (“unit-linked”);

**“Universal”** means Universal Leven N.V., a public company with limited liability, organised under the laws of the Netherlands and established in Amsterdam, the Netherlands.

## ANNEX B

### EXPECTED AMORTISATION PROFILE OF THE NOTES BASED ON ASSUMPTIONS

This profile takes in to account the purchase of New Mortgage Receivables during the Pre-funding Period with the following characteristics:

<b>Loan Type</b>	<b>Gross Rate</b>	<b>Next Interest Reset Date</b>	<b>End date</b>	<b>Remaining Term</b>	<b>Current Balance</b>	<b>Savings Value</b>	<b>Amortisation Lag (Months)</b>
IO floater	3.532231106	01-Dec-04	01-Aug-34	354	51,586,649.15	0	3
IO 1 yr	3.741942712	01-Oct-05	01-Jul-34	353	19,683,354.64	0	3
IO 5 yr	4.549394447	01-Oct-09	01-Aug-34	354	47,570,894.10	0	3
IO 7 yr	4.851537783	01-Oct-11	01-Oct-34	356	12,650,304.92	0	3
IO 10 yr	4.893905242	01-Oct-14	01-Apr-34	350	29,549,119.32	0	3
IO 15 yr	5.095645882	01-Oct-19	01-Mar-34	349	8,887,714.07	0	3
IO 20 yr	5.197805403	01-Oct-24	01-Jul-34	353	9,695,890.80	0	3
Sav 1 yr	3.593434081	01-Oct-05	01-Jan-24	227	64,024.73	0	3
Sav 5 yr	4.707730597	01-Oct-09	01-Sep-32	331	939,063.41	0	3
Sav 7 yr	5.166682946	01-Oct-11	01-Feb-34	348	759,109.41	0	3
Sav 10 yr	5.264903201	01-Oct-14	01-Feb-33	336	1,029,812.53	0	3
Sav 15 yr	5.337288749	01-Oct-19	01-Jan-30	299	355,297.36	0	3
Sav 20 yr	5.567581364	01-Oct-24	01-Jan-32	323	468,382.14	0	3
IO floater	3.532231106	01-Dec-04	01-Jan-34	350	120,143,987.31	0	0
IO 1 yr	3.741942712	01-Oct-05	01-Jan-34	350	45,842,029.85	0	0
IO 5 yr	4.549394447	01-Oct-09	01-Jan-34	350	110,791,396.46	0	0
IO 7 yr	4.851537783	01-Oct-11	01-Mar-34	352	29,462,236.81	0	0
IO 10 yr	4.893905242	01-Oct-14	01-Oct-33	347	68,819,143.63	0	0
IO 15 yr	5.095645882	01-Oct-19	01-Aug-33	345	20,699,258.90	0	0
IO 20 yr	5.197805403	01-Oct-24	01-Dec-33	349	22,581,481.84	0	0
Sav 1 yr	3.593434081	01-Oct-05	01-Apr-23	221	149,111.96	0	0
Sav 5 yr	4.707730597	01-Oct-09	01-Feb-32	327	2,232,237.06	45,182.39	0
Sav 7 yr	5.166682946	01-Oct-11	01-Sep-33	346	1,778,000.69	10,054.28	0
Sav 10 yr	5.264903201	01-Oct-14	01-Aug-32	333	2,403,938.34	5,531.27	0
Sav 15 yr	5.337288749	01-Oct-19	01-Jul-29	296	854,371.00	26,892.53	0
Sav 20 yr	5.567581364	01-Oct-24	01-Apr-31	317	1,115,494.28	24,644.24	0

Payment Date	Principal Amount	Principal Amount	Principal Amount	Principal Amount	€ A Notes Amortisation	€ B Notes Amortisation	€ C Notes Amortisation	€ D Notes Amortisation
	Outstanding € A Notes	Outstanding € B Notes	Outstanding € C Notes	Outstanding € D Notes				
08-Dec-04	584,000,000	13,000,000	8,500,000	4,500,000	-	-	-	-
25-Jan-05	578,845,482	13,000,000	8,500,000	4,500,000	5,154,518	0	0	0
25-Apr-05	569,016,821	13,000,000	8,500,000	4,500,000	9,828,661	0	0	0
25-Jul-05	558,268,628	13,000,000	8,500,000	4,500,000	10,748,193	0	0	0
25-Oct-05	547,713,952	13,000,000	8,500,000	4,500,000	10,554,676	0	0	0
25-Jan-06	537,349,314	13,000,000	8,500,000	4,500,000	10,364,639	0	0	0
25-Apr-06	527,171,294	13,000,000	8,500,000	4,500,000	10,178,020	0	0	0
25-Jul-06	517,176,536	13,000,000	8,500,000	4,500,000	9,994,758	0	0	0
25-Oct-06	507,361,744	13,000,000	8,500,000	4,500,000	9,814,792	0	0	0
25-Jan-07	497,723,680	13,000,000	8,500,000	4,500,000	9,638,064	0	0	0
25-Apr-07	488,259,166	13,000,000	8,500,000	4,500,000	9,464,514	0	0	0
25-Jul-07	478,965,079	13,000,000	8,500,000	4,500,000	9,294,087	0	0	0
25-Oct-07	469,838,354	13,000,000	8,500,000	4,500,000	9,126,725	0	0	0
25-Jan-08	460,875,982	13,000,000	8,500,000	4,500,000	8,962,373	0	0	0
25-Apr-08	452,075,004	13,000,000	8,500,000	4,500,000	8,800,978	0	0	0
25-Jul-08	443,432,518	13,000,000	8,500,000	4,500,000	8,642,486	0	0	0
27-Oct-08	434,945,674	13,000,000	8,500,000	4,500,000	8,486,845	0	0	0
26-Jan-09	426,611,670	13,000,000	8,500,000	4,500,000	8,334,003	0	0	0
27-Apr-09	418,427,759	13,000,000	8,500,000	4,500,000	8,183,911	0	0	0
27-Jul-09	410,391,239	13,000,000	8,500,000	4,500,000	8,036,519	0	0	0
26-Oct-09	402,499,461	13,000,000	8,500,000	4,500,000	7,891,779	0	0	0
25-Jan-10	394,749,819	13,000,000	8,500,000	4,500,000	7,749,642	0	0	0
26-Apr-10	387,139,756	13,000,000	8,500,000	4,500,000	7,610,062	0	0	0
26-Jul-10	379,666,763	13,000,000	8,500,000	4,500,000	7,472,993	0	0	0
25-Oct-10	372,328,374	13,000,000	8,500,000	4,500,000	7,338,390	0	0	0
25-Jan-11	365,122,166	13,000,000	8,500,000	4,500,000	7,206,208	0	0	0
25-Apr-11	358,045,761	13,000,000	8,500,000	4,500,000	7,076,404	0	0	0
25-Jul-11	351,096,826	13,000,000	8,500,000	4,500,000	6,948,935	0	0	0
25-Oct-11	344,273,067	13,000,000	8,500,000	4,500,000	6,823,760	0	0	0
25-Jan-12	0	0	0	0	344,273,067	13,000,000	8,500,000	4,500,000

## **REGISTERED OFFICES**

### **ISSUER**

E-MAC NL 2004-II B.V.  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
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