

**DATED 4 JUNE 2008**

**NOTE ISSUANCE FACILITY DEED**

**VIADUCT (NO. 7) LIMITED**  
(as SPE)

and

**RESIDENTIAL CAPITAL, LLC**  
(as Note Purchaser)

and

**DEUTSCHE TRUSTEE COMPANY LIMITED**  
(as Security Trustee)

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White & Case LLP  
5 Old Broad Street  
London EC2N 1DW



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**THIS DEED** is executed on 4 June 2008.

**BETWEEN:**

- (1) **VIADUCT (NO.7) LIMITED** (registered number 6275077) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the "**SPE**");
- (2) **RESIDENTIAL CAPITAL, LLC** a Corporation incorporated in Delaware whose registered office is at One Meridian Crossings, Minneapolis, Minnesota 55423, United States of America (the "**Note Purchaser**"); and
- (3) **DEUTSCHE TRUSTEE COMPANY LIMITED** (registered number 338230) whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (the "**Security Trustee**", which expression shall include such company and all other persons or companies for the time being acting under this Deed in the capacity of security trustee or security trustees).

**WHEREAS:**

- (A) The Sellers have agreed to sell the Loans and their Related Security to the SPE pursuant to the Loan Sale and Purchase Agreement, subject to the availability of funding.
- (B) In order to fund the purchase of the Loans and their Related Security, subject to the terms and conditions of the Loan Sale and Purchase Agreement being met, the SPE intends to issue the Initial Note pursuant to this Deed.
- (C) The Note Purchaser may in its sole discretion, subscribe to the Initial Note in an amount not exceeding the Discount Note Facility Amount.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

Capitalised terms in this Deed shall, except where the context otherwise requires and except where otherwise defined in this Deed, have the meanings and constructions given to them in the Master Definitions Schedule executed by, *inter alios*, each of the parties to this Deed (the "**Master Definitions Schedule**") on or about 2 June 2008 (as it may be amended, varied or supplemented from time to time with the consent of the parties to it). In the event that there are inconsistencies between terms defined in this Deed and in the Master Definitions Schedule, the terms of this Deed shall prevail.

**2. THE FACILITY**

**2.1 The Facility**

- (a) The Note Purchaser grants to the SPE, upon the terms and subject to the conditions set out in this Deed, a discount note issuance facility, pursuant to which the Note Purchaser may, during the Availability Period, subscribe for and purchase the Initial Note having a Discounted Value not exceeding the Discount Note Facility Amount at the relevant time. Subject to Clause 2.1(c), nothing in this Deed shall be deemed to be, or construed as, a commitment by the Note Purchaser to subscribe for or purchase the Initial Note or to increase the Discount Note Facility Amount at any time.
- (b) The Initial Note is replaced by a New Note issued pursuant to Clause 8 (*Roll-over of the Note*). Subject to Clause 2.1(c), nothing in this Deed shall be deemed to be, or

construed as, a commitment by the Note Purchaser to subscribe for or purchase a New Note.

- (c) Notwithstanding Clause 2.1(a), the Note Purchaser shall be obliged to subscribe for a New Note pursuant to Clause 8.1(a)(ii) to the extent it is issued to fund (or reimburse the funding of) one or more Committed Development Advance(s).
- (d) There will be only one Note at any time, which will be denominated in sterling having a Discounted Value of up to the Discount Note Facility Amount from time to time.
- (e) It is hereby acknowledged and agreed that the Note Purchaser is to be a beneficiary of the security created pursuant to the Deed of Charge granted by the SPE in favour of the Security Trustee and in respect of all sums payable to it hereunder and in its capacity as Noteholder and pursuant to which the Note Purchaser agrees to subscribe for the Initial Note and New Notes, subject to the terms of this Deed.

## 2.2 Increase in Facility

- (a) The SPE and the Note Purchaser may agree to increase the Discount Note Facility Amount either for a period ending on the Final Maturity Date or for a temporary period ending on a date prior to the Final Maturity Date. The SPE may assume and the Note Purchaser agrees that the Discount Note Facility Amount is increased by an amount equal to the amount of a New Note issued pursuant to Clause 8.1(a)(ii) in connection with a Funded Further Advance.
- (b) For the avoidance of doubt, any increase in the Discount Note Facility Amount and resulting increase in the Face Value and/or Discounted Value of the Note in respect thereof shall be subject to the terms and conditions of the Transaction Documents, in particular, but without limitation, in respect of the Availability Period.
- (c) If the SPE wishes the Note Purchaser to agree to increase the Discount Note Facility Amount pursuant to this Clause 2.2, it shall notify the Note Purchaser by issuing a notice in the form attached hereto as Schedule 8 (an “**Increase Notice**”) which shall stipulate the amount by which the SPE requests the Discount Note Facility Amount is to be increased and the duration of such increase, as well as the time by which the Note Purchaser shall inform the SPE whether it is or is not willing to agree to increase the Discount Note Facility Amount, which shall not be less than 30 days (the “**Response Time**”).
- (d) The Note Purchaser shall inform the SPE in writing by no later than the Response Time whether it is or is not willing to agree to increase the Discount Note Facility Amount. The Note Purchaser is entitled to agree to increase the Discount Note Facility Amount, but is not obliged to agree to increase the Discount Note Facility Amount. If the Note Purchaser does not respond to the SPE by the Response Time, it shall be deemed to be unwilling to agree to increase the Discount Note Facility Amount.
- (e) If the Note Purchaser agrees to increase the Discount Note Facility Amount, such increase shall take effect on the date specified by the Note Purchaser to the SPE in the confirmation referred to in Clause 2.2(d) and failing such specification, five Business Days following the end of the Response Time.
- (f) If the Discount Note Facility Amount has been increased pursuant to this Clause 2.2 for a temporary period ending prior to the Final Maturity Date, the Discount Note

Facility Amount shall automatically decrease by an amount equal to the amount of the increase referred to in the relevant Increase Notice at the end of the period for such increase referred to in the relevant Increase Notice, unless previously cancelled by the SPE in accordance with the terms of this Deed.

- (g) On the date of such decrease or cancellation (as the case may be), the SPE shall redeem at Amortized Face Value such aggregate amount of the Note to ensure that the Discounted Value of the Note on that date does not exceed the Discount Note Facility Amount prior to the increase, in accordance with the priority of payment provisions in Condition 7 (*Payments*) of Schedule 7 (*Terms and Conditions of the Note*). The SPE shall fund such redemption from the proceeds of a Drawing. No such redemption shall be required under this Clause 2.2(g) if the Discounted Value of the Note outstanding on the date of such decrease is equal to or less than the Discount Note Facility Amount prior to the increase.
- (h) Notwithstanding the above, any increase in the Discount Note Facility Amount is subject to the SPE confirming to the Note Purchaser, on the date that the increase takes effect pursuant to Clause 2.2(e), that:
  - (A) there is no Default outstanding and none would occur as a result of the proposed increase;
  - (B) the Repeating Representations are correct in all material respects; and
  - (C) the increase in the Discount Note Facility Amount and resulting increase in the Face Value and/or Discounted Value of the Note in respect thereof will be made in accordance with and subject to the terms and conditions of the Transaction Documents, but not otherwise.

### **3. PURPOSE**

#### **3.1 Use of the Facility**

The Facility is intended to provide the SPE with financing to fund the purchase of the Loans (including Funded Further Advances) and their Related Security and the repayment of the Note.

#### **3.2 No obligation to monitor**

The Note Purchaser is not bound to monitor or verify the application of the proceeds of the Note. However, the Note Purchaser may, at its own discretion, monitor or verify the application of the proceeds of the Note to the extent that it deems necessary.

### **4. CONDITIONS PRECEDENT**

#### **4.1 Conditions precedent documents**

The SPE may not issue the first Issue Notice hereunder until the SPE has provided to the Note Purchaser all of the documents and evidence set out in Schedule 2 (*Conditions precedent documents*).

#### **4.2 Further conditions precedent**

The SPE may not issue an Issue Notice unless on the date of the Issue Notice and the Issue Date:

- (a) the Repeating Representations are correct in all material respects; and
- (b) no Default is outstanding or would result from the issuance of the Note.

## **5. UTILISATION OF THE FACILITY**

### **5.1 Delivery of Issue Notice**

- (a) Subject to the terms of this Deed, the SPE (or the Seller 1 Administrator on its behalf) may:
  - (i) (provided that no Default has occurred and is outstanding) offer to issue the Initial Note, having a Discounted Value of up to the Discount Note Facility Amount, to the Note Purchaser by delivering to the Note Purchaser, by fax or by email, not later than 11 a.m. on a date at least one Business Day prior to the relevant Issue Date, a duly completed Issue Notice; and
  - (ii) from time to time (provided that no Default has occurred and is outstanding) offer to issue a New Note, having a Discounted Value of up to the Discount Note Facility Amount at the relevant time, to the Note Purchaser by delivery to the Note Purchaser by fax or by email, not later than 11 a.m. on a date at least one Business Days prior to the relevant Issue Date, a duly completed Issue Notice provided that the Issue Date of the New Note shall be the Redemption Date of the then Maturing Note and, following the issue of the New Note, only one Note is in issuance at any time and the Discounted Value of the Note shall not exceed the Discount Note Facility Amount.
- (b) Each Issue Notice is irrevocable.
- (c) A copy of each Issue Notice will be sent by the SPE to each of the Administrators.

### **5.2 Form of Issue Notice**

Each Issue Notice shall specify:

- (a) the proposed Issue Date, which shall be the date one Business Day after the date on which the relevant Issue Notice was delivered in accordance with Clause 5.1(a);
- (b) the Subscription Price of the Note to be issued; and
- (c) the Redemption Date of the Note to be issued.

### **5.3 Completion of Issue Notices**

An Issue Notice will not be regarded as having been duly completed unless:

- (a) each of the Issue Date and the Redemption Date is a Business Day falling within the Availability Period;
- (b) the amount of the Note to be issued is at least equal to the Subscription Price and does not exceed the Discount Note Facility Amount on the Issue Date;
- (c) the proposed Redemption Date falls no more than 60 days after the proposed Issue Date and otherwise complies with this Deed. If a Redemption Date would otherwise

overrun the Final Maturity Date, it will be accelerated so that it occurs on the Final Maturity Date; and

- (d) the Issue Notice has been signed by or on behalf of the SPE by an authorised person identified on a list provided to the Note Purchaser on or about the date of this Deed (or such other authorised persons as the SPE may designate by written notice to the Note Purchaser from time to time).

#### 5.4 **Pricing Supplement**

Upon receipt of an Issue Notice pursuant to Clause 5.1, the Note Purchaser shall advise the SPE and the Seller 1 Administrator no later than 2.00 p.m. (London time) on the Issue Date of:

- (a) the Discounted Value of the Note which shall not exceed the Discount Note Facility Amount;
- (b) the Discount;
- (c) the Face Value of the Note; and
- (d) the Redemption Date of the Note, which shall not be later than the Final Maturity Date,

as set out in the Pricing Supplement.

#### 5.5 **Delivery of Note**

- (a) If the conditions set out in this Deed have been met, then if the Note Purchaser has determined to subscribe for the Note offered in the Issue Notice, the Note shall be issued to the Note Purchaser in accordance with Clause 5.5(b).
- (b) On the Issue Date, following receipt by the SPE of the Subscription Price in accordance with Clause 5.7, the SPE shall procure the issue and delivery to the Note Purchaser of a Note Certificate in relation to the Note referred to in the Issue Notice.

#### 5.6 **Payment**

Subject to Clause 8 (*Roll-over of Note*), the Note Purchaser shall pay to the Transaction Account or to such other account as the SPE may direct on the Issue Date (for value on that date) the Subscription Price for the Note to be issued to the Note Purchaser on such date.

#### 5.7 **Subscription Price**

The Subscription Price payable for the Note shall be an amount equal to its Discounted Value.

#### 5.8 **Form of the Note**

Each Note issued by the SPE pursuant to this Deed shall be:

- (a) represented by a Note Certificate;
- (b) denominated in sterling;
- (c) transferable, subject to Condition 2 (*Transfers of the Note*) of Schedule 7 (*Terms and Conditions of the Note*);

- (d) dated the Issue Date in relation thereto; and
- (e) executed by, or on behalf of, the SPE.

## **6. CONSTITUTION OF THE NOTE**

### **6.1 Covenants**

The SPE hereby constitutes the Note and covenants in favour of the Noteholder from time to time that it will duly perform and comply with the obligations expressed to be undertaken by it in each Note Certificate and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of any Note shall be construed to include a reference to any obligation or payment under or pursuant to this Clause 6.1). The SPE hereby acknowledges the right of the Noteholder from time to time to the production of this Deed.

### **6.2 Deed Poll**

The covenant given by the SPE in Clause 6.1 shall take effect as a deed poll for the benefit of the Note Purchaser and each Noteholder from time to time and shall enure to the benefit of the Note Purchaser and each Noteholder and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce the covenant set out in Clause 6.1.

### **6.3 Terms and Conditions**

The Notes constituted pursuant to Clause 6.1 shall have the terms and conditions in the form or substantially in the form set out in Schedule 7 (*Terms and Conditions of the Note*), as the same may from time to time be modified or amended in accordance with their terms.

## **7. REDEMPTION, CANCELLATION AND EXTENSION**

### **7.1 Mandatory redemption – illegality**

- (a) The Noteholder must notify the SPE promptly if it becomes aware that it is unlawful in any relevant jurisdiction for it to perform any of its obligations under a Transaction Document or to purchase or hold the Note.
- (b) After notification under Clause 7.1(a):
  - (i) the SPE must redeem the Note at its Amortized Face Value on the date specified in Clause 7.1(c); and
  - (ii) the Facility will be immediately cancelled and the Discount Note Facility Amount shall be reduced to zero.
- (c) The date for redemption of the Note will be:
  - (i) the Redemption Date of the Note; or
  - (ii) if earlier, the date specified by the Noteholder in the notification under Clause 7.1(a) and which must not be earlier than the last day of any applicable grace period allowed by law.



## 7.2 **Mandatory redemption – Repurchase of Loans and disposals**

- (a) If:
- (i) Seller 1 or Seller 2 repurchase any of the Loans and their Related Security under Clause 8 (*Loan Repurchase*) or Clause 9 (*Further Advances*) of the Loan Sale and Purchase Agreement; or
  - (ii) the SPE disposes of any of the Loans and their Related Security,
- the SPE shall pay the Net Cash Proceeds (as defined in the U.S. Senior Loan Agreement) received by it in respect of any such repurchase or disposal into the Blocked Account immediately upon receipt.
- (b) Upon payment of the Net Cash Proceeds into the Blocked Account, the Note shall be deemed to have been redeemed at its Amortised Face Value by an amount equal to the amount of the Net Cash Proceeds deposited into the Blocked Account.

## 7.3 **Automatic cancellation**

The Facility will be automatically cancelled at the close of business on the last day of the Availability Period and the Discount Note Facility Amount shall be reduced to zero.

## 7.4 **Voluntary cancellation**

- (a) The SPE may, by giving not less than 5 Business Days' prior notice to the Note Purchaser, cancel the unissued amount of the Facility in whole or in part.
- (b) Partial cancellation of any unissued Facility must be in a minimum amount of £10,000,000.
- (c) For the avoidance of doubt, any voluntary cancellation shall only apply to unissued amounts of the Facility.
- (d) If the the Facility is cancelled by the SPE in whole or in part, the Discount Note Facility Amount shall be reduced accordingly.

## 7.5 **Cancellation**

If the SPE exercises an option to redeem the Note for taxation reasons pursuant to Condition 6.3 (*Optional redemption for taxation reasons*) of Schedule 7 (*Terms and Conditions of the Note*), the Facility will be immediately cancelled and the Discount Note Facility Amount shall be reduced to zero.

## 7.6 **Issuance of a new Note**

In the event that the SPE redeems the Note in part pursuant to Condition 6.4 (*Voluntary redemption*) of Schedule 7 (*Terms and Conditions of the Note*), the SPE may issue a new Note to the Noteholder in replacement of the original Note with a Discounted Value up to the Discount Note Facility Amount at that time. In the event that the SPE redeems the Note pursuant to Condition 6.3 (*Optional redemption for tax reasons*) or Clause 7.1, the SPE may not issue a New Note to the Noteholder.

## 7.7 Acceleration of Final Maturity Date

The Final Maturity Date shall be accelerated and deemed to occur:

- (a) on an earlier date specified in written notice delivered by the SPE to the Noteholder no less than 30 days prior to such date, provided that no Redemption Date of the issued and outstanding Note falls after the accelerated Final Maturity Date; or
- (b) upon delivery of an Enforcement Notice pursuant to Condition 8.3 (*Effect of an Event of Default*) of Schedule 7 (*Terms and Conditions of the Note*).

## 7.8 Extension of Final Maturity Date

- (a) Provided that the Final Maturity Date has not been accelerated pursuant to Clause 7.7, the SPE may from time to time request the Noteholder to extend the Final Maturity Date for a further period not to exceed 364 days after the then applicable Final Maturity Date by notice to the Noteholder no earlier than 90 days and no later than 45 days prior to the then applicable Final Maturity Date.
- (b) The Noteholder shall within 15 days prior to the then applicable Final Maturity Date inform the SPE whether or not it agrees to such extension of the Final Maturity Date. If the Noteholder fails to give such notice by such day it shall be deemed not to have agreed to such extension. Consent to any requested extension of the Final Maturity Date may be given or withheld in the absolute discretion of the Noteholder.
- (c) If the Noteholder has agreed to extend the Final Maturity Date pursuant to Clause 7.8(a), the Final Maturity Date shall be the later of the date requested by the SPE and the date falling 364 days following the existing Final Maturity Date.
- (d) If the Noteholder does not agree to the extension, the Final Maturity Date shall not be extended and the Discount Note Facility Amount shall be reduced to zero on the existing Final Maturity Date.
- (e) On the Final Maturity Date, the SPE shall, if there is any amount standing to the credit of the Cash Reserve Account and/or the Blocked Account, be entitled to withdraw all or part of it and use the proceeds thereof towards payment or repayment to the Noteholder of all amounts owing to the Noteholder.

## 7.9 Miscellaneous provisions

- (a) Any notice of redemption and/or cancellation under this Deed or the Conditions is irrevocable and must specify the relevant date(s).
- (b) The Conditions also contain provisions relating to voluntary redemption of the Note in whole or in part.
- (c) The Noteholder may agree a shorter notice period for a voluntary redemption or a voluntary cancellation.
- (d) No redemption or cancellation is allowed except in accordance with the express terms of this Deed and the Conditions.
- (e) No amount of the Facility cancelled under this Deed may subsequently be reinstated.
- (f) No amount of the Note which is redeemed may be reinstated.

## 8. ROLL-OVER OF THE NOTE

### 8.1 Roll-over on Redemption Date

Notwithstanding any provision in the Conditions, if:

- (a) on any Redemption Date;
  - (i) any sum is due to the Noteholder in respect of the redemption of the Note (the “**Maturing Note**”) by way of redemption thereof by the SPE; or
  - (ii) the Discount Note Facility Amount is deemed to have been increased in connection with one or more Funded Further Advance; and
- (b) in each case, the Noteholder on such date has subscribed (which, in the case of Clause 8.1(a)(ii) but not in the case of Clause 8.1(a)(i) it shall be obliged to) for a further Note (the “**New Note**”) pursuant to the terms of this Deed,

then

- (i) where the Face Value of the Maturing Note is equal to the Subscription Price for the New Note, the SPE’s obligation to pay the sum referred to in Clause 8.1(a) shall be discharged by way of set-off against the Noteholder’s obligation to make any payment as referred to in (B) below; or
- (ii) where the Face value of the Maturing Note is less than the Subscription Price for the New Note, sub-paragraph (i) above shall apply except in respect of the excess and (for the avoidance of doubt) the Note Purchaser shall be obliged to pay to the SPE an amount equal to the difference between such Face Value of the Maturing Note and the Subscription Price for the New Note; or
- (iii) where the Face Value of the Maturing Note is greater than the Subscription Price for the New Note, sub-paragraph (i) above shall apply except in respect of the excess and (for the avoidance of doubt) the SPE shall be obliged to pay to the Noteholder an amount equal to the difference between such Face Value of the Maturing Note and the Subscription Price for the New Note,

and accordingly, upon due registration in the Register of the New Note and (in any case falling within sub-paragraphs (ii) or (iii) above), upon payment of the amount therein referred to:

- (A) the SPE’s obligation (pursuant to the Conditions) to pay the Face Value of the Maturing Note, upon redemption thereof, to the Noteholder; and
- (B) the Noteholder’s obligation (pursuant to Clause 5.7 (*Subscription Price*)) to pay the Subscription Price for the New Note,

shall be discharged by way of set-off.

### 8.2 New Note Certificate

The SPE shall (or shall procure that), on each Redemption Date when the Note is rolled over (whether to evidence the roll-over of a Maturing Note and/or the increase in the Discount Note Facility Amount) pursuant to Clause 8.1 (*Roll-over on Redemption Date*), a new Note Certificate is issued to the Noteholder. For this purpose, the SPE shall grant a power of

attorney in favour of the relevant U.S. Collateral Agent substantially in the form set out in Schedule 9 (*Form of Power of Attorney*) or such other form of power of attorney to the same or similar effect as the SPE may agree with the relevant U.S. Collateral Agent, to enable the relevant U.S. Collateral Agent to issue and sign a new Note Certificate as expressly instructed by the SPE from time to time.

## **9. TAXES**

### **9.1 Tax gross-up**

All payments in respect of the Note by the SPE shall be made without any Tax Deduction unless and to the extent required by law. Where any such Tax Deduction is required by law in relation to a payment, such payment shall, subject to Clause 7.2 (*Upon Enforcement*) of the Deed of Charge, be increased to the extent necessary to ensure that, after the making of such Tax Deduction, the Noteholder receives a net sum equal to the sum which it would have received had no such Tax Deduction been made or required to be made. If the SPE or the Noteholder is aware that any such Tax Deduction is required by law, it must promptly notify the other Party or Parties.

### **9.2 Tax Deduction**

- (a) The Noteholder and the SPE shall co-operate in completing any procedural formalities necessary for the SPE to obtain authorisation or to satisfy any statutory requirement necessary to make all payments made by the SPE to the Noteholder without a Tax Deduction PROVIDED THAT the Noteholder shall not be obliged to take any action which in its opinion acting reasonably would be disadvantageous to its business interests, and the SPE shall reimburse the Noteholder for all its costs (properly incurred) in satisfying this obligation.
- (b) The SPE shall not be obliged to make an increased payment under Clause 9.1 where the Noteholder would have been able to avoid a Tax Deduction and the SPE is reasonably able to demonstrate that the payment could have been made to the Noteholder without the Tax Deduction had the Noteholder complied with its obligations under Clause 9.2(a).

### **9.3 Tax credit**

If the SPE makes a Tax Payment and the Noteholder determines in good faith that a Tax Credit is attributable to that Tax Payment, and the Noteholder has obtained, utilised and retained that Tax Credit, the Noteholder must pay an amount to the SPE which the Noteholder determines will leave it (after that payment) in the same after-tax position as it would have been if the Tax Payment had not been required to be made by the SPE.

### **9.4 Stamp taxes**

The SPE must pay and indemnify the Note Purchaser against any stamp duty, registration or other similar Tax payable in connection with the entry into, performance or enforcement of this Deed.

### **9.5 Value added taxes**

- (a) Any amount payable hereunder by the SPE is exclusive of any value added tax or any other Tax of a similar nature which is chargeable on that amount. If any such Tax is chargeable, the SPE must pay to the Noteholder an amount equal to the amount of that Tax.

- (b) The obligation of the SPE under Clause 9.5(a) will be reduced to the extent that the Noteholder is entitled to repayment or a credit in respect of the relevant Tax.

## **10. MITIGATION**

### **10.1 Mitigation**

- (a) The Note Purchaser must, in consultation with the SPE, take all reasonable steps to mitigate any circumstances which arise and which result or would result in:
  - (i) any Tax Payment being payable to the Note Purchaser;
  - (ii) the Note Purchaser being able to exercise any right of redemption and/or cancellation under this Deed by reason of any illegality;
  - (iii) any indemnity claim made under Clause 16.4(a),  
including the transfer of its rights and obligations hereunder to another entity agreed by the SPE as being acceptable to it, such agreement not to be unreasonably withheld or delayed.
- (b) Clause 10.1(a) does not in any way limit the obligations of the SPE under the Relevant Documents.
- (c) The SPE must indemnify the Note Purchaser for all costs and expenses reasonably incurred by the Note Purchaser as a result of any step taken by it under this Clause 10.1.
- (d) The Note Purchaser is not obliged to take any step under this Clause 10.1 if, in the opinion of the Note Purchaser (acting reasonably), to do so might be prejudicial to it.

### **10.2 Conduct of business by the Note Purchaser**

No term of this Deed will interfere with the right of the Noteholder in its absolute discretion to arrange its affairs (Tax or otherwise) in whatever manner it thinks fit.

## **11. SPE REPRESENTATIONS**

### **11.1 Representations**

The representations set out in this Clause are made by the SPE to the Noteholder.

### **11.2 Status**

- (a) It is a limited liability company, duly incorporated and validly existing under the laws of England and Wales.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

### **11.3 Powers and authority**

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, the Transaction Documents and the transactions contemplated by those Transaction Documents.

#### 11.4 **Legal validity**

Subject to any general principles of law limiting its obligations and referred to in any legal opinion required under this Deed, each Transaction Document is its legally binding, valid and enforceable obligation.

#### 11.5 **Consents**

It has duly obtained, made or taken each authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation which it is required to obtain (or make) in connection with the entry into, or performance of the transactions contemplated in, the Transaction Documents to which it is a party. The SPE is not aware of any circumstances which indicate that any such authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation which has been obtained (or made) is likely to be terminated, revoked or not renewed. No authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken is necessary or desirable to ensure the validity, legality, enforceability or priority of the liabilities and obligations of the SPE under the Transaction Documents to which it is a party.

#### 11.6 **Non-conflict**

The entry into and performance by it of, and the transactions contemplated by, the Transaction Documents do not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any document which is binding upon it or any of its assets.

#### 11.7 **No default**

- (a) No Default is outstanding or will result from the execution of, or the performance of any transaction contemplated by, any Transaction Document; and
- (b) no other event is outstanding which constitutes a default under any document which is binding on it or any of its assets to an extent or in a manner which has a Material Adverse Effect.

#### 11.8 **Litigation**

No litigation, arbitration or administrative proceeding or claim which has a Material Adverse Effect is current or pending or, to the best of its knowledge, information and belief, threatened, against it.

#### 11.9 **Winding-up**

Its directors or shareholders have not taken any action, nor so far as it is aware have any steps been taken (including, without limitation, the filing of documents with the court or the service of a notice of intention to appoint an administrator) or legal proceedings been started or threatened against it, for winding-up, dissolution or reorganisation, the enforcement of any Security Interest over its assets or for appointment of a receiver, administrative receiver or administrator, trustee or similar officer of it or of any or all of its assets or revenues.

#### 11.10 **Validity and admissibility in evidence**

All authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Relevant Documents to which it is a party; and
- (b) to make the Relevant Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

#### 11.11 **Times for making representations**

- (a) The representations set out in this Clause are made by the SPE on the date of this Deed.
- (b) Each representation is deemed to be repeated by the SPE on the date of each Issue Notice, and each Issue Date.

### 12. **GENERAL COVENANTS**

#### 12.1 **General**

The SPE agrees to be bound by the covenants set out in this Clause.

#### 12.2 **Authorisations**

The SPE must promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation to enable it to perform its obligations under, or for the validity or enforceability of, any Transaction Document.

#### 12.3 **Compliance with laws**

The SPE must comply in all respects with all laws to which it is subject where failure to do so is reasonably likely to have a Material Adverse Effect.

#### 12.4 **Pari passu ranking**

The SPE must ensure that its payment obligations under the Transaction Documents rank at least *pari passu* with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

#### 12.5 **Negative pledge**

- (a) Except as provided below, the SPE may not create or allow to exist any Security Interest on any of its assets.
- (b) Clause 12.5(a) does not apply to:
  - (i) any Security Interest constituted by the Security Documents; and
  - (ii) any lien arising by operation of law and in the ordinary course of business.

## 12.6 **Restrictions On Activities**

The SPE will not:

- (a) engage in any activity which is not reasonably incidental to or necessary for the accomplishment of any of the activities which the Transaction Documents provide or envisage that it will engage in;
- (b) have any subsidiaries or employees or premises; or
- (c) act as a director of any company.

## 12.7 **Borrowings**

The SPE will not incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any obligation of any person other than as contemplated in the Transaction Documents.

## 12.8 **Merger**

The SPE will not consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person.

## 12.9 **Disposal of Assets**

The SPE will not transfer, sell, lend, part with or otherwise dispose of or deal with, or grant any option over any present or future right to acquire, any of its assets or undertaking or any interest, estate, right, title or benefit therein, except as contemplated in the Transaction Documents or with the express prior written consent of the Noteholder and the Security Trustee.

## 12.10 **Equitable Interest**

The SPE will not permit any person to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein, except as contemplated in the Transaction Documents.

## 12.11 **Tax Grouping**

The SPE will not become a member of a group of companies for the purposes of VAT.

## 12.12 **Bank Accounts and the GIC Account**

The SPE will not have an interest in any bank account, other than the Bank Accounts and the GIC Account.

## 12.13 **Further Shares**

The SPE will not issue any further shares other than the one fully paid up ordinary share of £1 owned by SFM Corporate Services Limited.

## 12.14 **Dividends and Memorandum and Articles of Association**

The SPE will not declare or pay any dividend or declare or make any other distribution to its shareholders or make any amendments to its Memorandum and Articles of Association.



### **13. EVIDENCE AND CALCULATIONS**

#### **13.1 Accounts**

Accounts maintained by the Noteholder in connection with this Deed are prima facie evidence of the matters to which they relate for the purpose of any litigation or arbitration proceedings.

#### **13.2 Certificates and determinations**

Any certification or determination by the Noteholder of a rate or amount under the Transaction Documents will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

#### **13.3 Calculations**

Any interest or fee accruing under this Deed or the Conditions accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or otherwise, depending on what is current market practice.

### **14. FEES**

14.1 The SPE must observe all the terms of the Pricing Letter. The Note Purchaser shall issue a Pricing Letter on or before the date of this Deed and at such other times and from time to time as it considers to be appropriate.

#### **14.2 Increased Costs**

The SPE shall pay to the Noteholder within three Business Days of a demand an amount equal to all amounts payable by the Noteholder in respect of additional costs, increased costs, or reduced rates of return incurred or suffered by the Noteholder ("**Increased Costs**") on account of (a) the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any court, governmental authority, central bank or comparable agency or regulatory authority charged with the interpretation or administration thereof, or (b) compliance by the Noteholder with any guideline, request or directive made after the date hereof (whether or not having the force of law) of any such authority, central bank or comparable agency or regulatory authority which imposes any other condition in each case where the result of which is to increase the cost to such party of funding under the Relevant Documents or to reduce the amount of any sum received or receivable by such party under such Relevant Documents to the extent that it is attributable to the Noteholder having entered into its commitment or funding or performing its obligations under any Relevant Document.

#### **14.3 Increased Cost Claims**

- (a) If the Noteholder intends to make a claim pursuant to Clause 14.2 (*Increased Costs*) it shall notify the SPE of the event giving rise to the claim.
- (b) The Noteholder shall, as soon as practicable after a demand by the SPE, provide a certificate confirming the amount of its increased costs.

#### **14.4 Exceptions**

Clause 14.2 (*Increased Costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law as at the date hereof to be made by the SPE;
- (b) compensated for by Clause 9 (*Taxes*) or Condition 6.3 (*Optional redemption for taxation reasons*) of Schedule 7 (*Terms and Conditions of the Note*) or would have been so compensated but for the operation of an exclusion or exception;
- (c) attributable to any Tax assessed on the Noteholder under the law of the jurisdiction in which the Noteholder is domiciled, incorporated or treated as tax resident if that Tax is imposed on or calculated by reference to the net income received or receivable by the Noteholder;
- (d) compensated for by the payment of the Funding Costs (including Mandatory Costs); or
- (e) attributable to the wilful breach by the Noteholder or its Affiliates of any law or regulation.

## **15. INDEMNITIES**

### **15.1 Currency indemnity**

- (a) The SPE must, as an independent obligation, indemnify the Noteholder against any loss or liability which the Noteholder incurs as a consequence of:
  - (i) the Noteholder receiving an amount in respect of the SPE's liability under the Transaction Documents; or
  - (ii) that liability being converted into a claim, proof, judgment, decree or order, in a currency other than the currency in which the amount is expressed to be payable under the Transaction Document.
- (b) Unless otherwise required by law, the SPE waives any right it may have in any jurisdiction to pay any amount under the Transaction Documents in a currency other than that in which it is expressed to be payable.

### **15.2 Other indemnities**

The SPE shall indemnify the Noteholder against any loss or liability which the Noteholder incurs as a consequence of:

- (a) the occurrence of any Event of Default;
- (b) any failure by the SPE, Seller 1 or Seller 2 to pay any amount due under a Transaction Document on its due date;
- (c) (other than by reason of non-performance, negligence or default by the Note Purchaser) the Note not being issued after an Issue Notice has been delivered to the Note Purchaser for the Note; or
- (d) the Note (or part of the Note) not being redeemed in accordance with a notice of redemption.

## **16. EXPENSES**

### **16.1 Initial costs**

The SPE shall pay to the Note Purchaser the amount of all reasonable costs and expenses (including but not limited to reasonable legal fees as agreed by the SPE and the Note Purchaser) properly incurred by the Note Purchaser in connection with the negotiation, preparation, printing and execution of the Transaction Documents.

### **16.2 Subsequent costs**

The SPE shall pay to the Noteholder as separately agreed the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by the Noteholder in connection with:

- (a) the negotiation, preparation, printing and execution of any Transaction Document (other than a Pricing Supplement) executed after the date of this Deed; and
- (b) any amendment, waiver or consent requested by or on behalf of the SPE.

### **16.3 Enforcement costs**

The SPE shall pay to the Noteholder the amount of all reasonable costs and expenses (including legal fees) reasonably incurred by it in connection with the enforcement of any Transaction Document.

## **17. DISCLOSURE OF INFORMATION**

- (a) Each of the Noteholder and the SPE must keep confidential any information supplied to it by or on behalf of the other in connection with the Transaction Documents. However, each of the Noteholder and the SPE is entitled to disclose information:
  - (i) which is publicly available, other than as a result of a breach by it of this Clause;
  - (ii) in connection with any legal or arbitration proceedings;
  - (iii) if required to do so under any law or regulation;
  - (iv) to a governmental, banking, taxation or other regulatory authority;
  - (v) to its professional advisers including but not limited to legal advisers and auditors;
  - (vi) in the case of the Note Purchaser to any security trustee in respect of the Note and the Security Documents;
  - (vii) in the case of the Note Purchaser, in connection with the Bonds in the circumstances outlined in Clause 17(a)(i) to (v) and including any security trustee appointed in relation to the Bonds;
  - (viii) in the case of the Note Purchaser, to the Lenders, the Lender Agent and any U.S. Collateral Agent (Lenders and Lender Agent having the meaning ascribed to them in the U.S. Senior Loan Agreement);

- (ix) in the case of the Note Purchaser, for inclusion of such information in reports prepared by the Note Purchaser for distribution to the Bondholders regarding its activities in connection with its Bonds provided that the Sellers shall not be named or otherwise identified in any such reports;
  - (x) in the case of the Noteholder, to providers of program credit enhancement to, and holders of first loss notes issued by the Noteholder provided that each of the foregoing entities has entered into an agreement with the Noteholder pursuant to which such entity has agreed to maintain the confidentiality of information disclosed by the Noteholder to such entity;
  - (xi) to the extent allowed under paragraph(b) below; or
  - (xii) with the agreement of the other party (not to be unreasonably withheld or delayed).
- (b) The Noteholder may disclose to an Affiliate or any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Deed (other than any agreement pursuant to which the Noteholder (or a security trustee on its behalf) creates a Security Interest in favour of any creditor of the Noteholder) (a “**participant**”):
- (i) a copy of any Transaction Document; and
  - (ii) any information which the Noteholder has acquired under or in connection with any Transaction Document.
- (c) Before a participant may receive any confidential information, it must agree with the Noteholder to keep that information confidential on the terms of paragraph(a) above.
- (d) This Clause supersedes any previous confidentiality undertaking given by the Noteholder in connection with this Deed prior to it becoming a Party.
- (e) Notwithstanding any provision herein and the otherwise confidential nature of this Deed and its contents, and effective from the date of commencement of discussions concerning this transaction, each party hereto (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the U.S. Federal income tax treatment and U.S. Federal income tax structure of this transaction and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. For purposes of this paragraph, the U.S. Federal income tax treatment of this transaction is the purported or claimed U.S. Federal income tax treatment of this transaction, and the U.S. Federal income tax structure of this transaction is any fact that may be relevant to understanding the purported or claimed U.S. Federal income tax treatment of this transaction.

## 18. SET-OFF

The Noteholder may set off any matured obligation owed to it by the SPE under the Transaction Documents (to the extent beneficially owned by the Noteholder) against any obligation (whether or not matured) owed by the Noteholder to the SPE, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Noteholder may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **19. MASTER DEFINITIONS SCHEDULE**

Clauses 2 (*Interpretation*), 3 (*Limited Recourse; No Liability and No Petition*), 4 (*Amendments and Waivers*), 5 (*Severability*), 6 (*Security Trustee Provisions*), 7 (*Acknowledgement of Security*), 8 (*Counterparts*), 9 (*Notices*) and 10 (*Language*) of the Master Definitions Schedule shall apply to this Deed as if they were set out in full again here, with any changes which are necessary to fit this context.

## **20. GOVERNING LAW**

This Deed is governed by, and shall be construed in accordance with, English law.

## **21. ENFORCEMENT**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a “**Dispute**”).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 21 is for the benefit of the Security Trustee and the Noteholder only. As a result, neither the Security Trustee nor the Noteholder shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee and the Noteholder may take concurrent proceedings in any number of jurisdictions.

## **22. SECURITY TRUSTEE PROVISIONS**

It is hereby acknowledged and agreed that, by its execution of this Deed, the Security Trustee shall not assume or have any of the obligations or liabilities of the SPE under this Deed.

This Deed has been executed into on the date stated at the beginning of this Deed.

**SCHEDULE 1**

**The Facility**

<b>Name of Note Purchaser</b>	
RESIDENTIAL CAPITAL, LLC	Up to £700,000,000
<b>Facility</b>	<hr/> <hr/> Up to £700,000,000

## **SCHEDULE 2**

### **Conditions Precedent Documents**

- (a) A copy of the constitutional documents of each of the SPE, Seller 1 and Seller 2.
- (b) A copy of a resolution of the board of directors of each of the SPE, Seller 1 and Seller 2:
  - (i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party;
  - (ii) authorising a specified person or persons to execute the Transaction Documents to which it is a party on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Issue Notice) to be signed and/or despatched by it under or in connection with the Transaction Documents to which it is a party.
- (c) A copy of the Transaction Documents duly executed by all relevant parties.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
- (e) A copy, certified a true copy by or on behalf of the SPE, of the SPE's authorisation under the Data Protection Act and licence under the Consumer Credit Act.
- (f) Solvency certificate of a director of each of the SPE, Seller 1 and Seller 2 in the form of the agreed draft.
- (g) A copy of the bank mandates relating to the Bank Accounts and the GIC Account in the form of the agreed drafts.
- (h) A legal opinion of White & Case LLP, legal advisers to the SPE, Seller 1 and Seller 2 in England, substantially in the form distributed to the Note Purchaser prior to signing this Deed.
- (i) A legal opinion of Tods Murray LLP, legal advisers to the SPE, Seller 1 and Seller 2 in Scotland, substantially in the form distributed to the Note Purchaser prior to signing this Deed.
- (j) Evidence that the debt to equity swap in respect of Seller 2 has been completed.

### SCHEDULE 3

#### Form of Issue Notice

From: Viaduct (No.7) Limited (the “SPE”)

To: [Noteholder]

cc: [Security Trustee]

Dear Sirs

1. We refer to the note issuance facility deed (the “**Note Issuance Facility Deed**”) dated [●] 2008 and made among the SPE, the Note Purchaser and the Security Trustee. Terms defined in, or incorporated by reference into, the Note Issuance Facility Deed shall have the same meanings herein as therein.
2. We hereby give you notice, pursuant to Clause 5.2 of the Note Issuance Facility Deed, that we intend to issue the following Note (the “**Note**”):

(a) Issue Date:	[●]
(b) Subscription Price:	[●]
(c) Redemption Date:	[●]
(d) Face Value:	[●]
(e) Aggregate value of Committed Development Advances to be funded pursuant to Subscription Price:	[●]

[Additional information to be specified in the event of a New Note:]

(f) [Face Value of Maturing Note:	[●]]
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[Payment for the New Note shall be made in accordance with Clause 8 (*Roll-Over of the Note*) of the Note Issuance Facility Deed.]

We confirm that no Default has occurred which remains outstanding, and that each of the representations and warranties set out in Clauses 11 (*SPE Representations*) of the Note Issuance Facility Deed is, on the date hereof, true and accurate.

The Discounted Value of the Note does not exceed the Discount Note Facility Amount on the Issue Date.

This Issue Notice is irrevocable.

This Issue Notice is governed by, and construed in accordance with, English Law.

Yours faithfully



as attorney  
for and on behalf of  
Viaduct (No.7) Limited

## SCHEDULE 4

### Form of Pricing Letter

#### [Letterhead of NOTE PURCHASER]

To: Viaduct (No.7) Limited (the “SPE”)

Attention: [●]

[DATE]

Dear Sirs,

We refer to the Note Issuance Facility Deed (as defined below). This is a Pricing Letter.

#### 1. Interpretation

##### 1.1 Definitions

In this Pricing Letter:

“**Note Issuance Facility Deed**” means the note issuance facility deed for notes with a discounted value aggregating to £[●] dated [●] 2008 between, among others, the SPE and the Note Purchaser.

##### 1.2 Construction

- (a) Capitalised terms and expressions defined in the Master Definitions Schedule and Note Issuance Facility Deed have, unless expressly defined in this Pricing Letter, the same meanings and expressions in this Pricing Letter.
- (b) The provisions of Clause 2 (*Interpretation*) of the Master Definitions Schedule apply to this Pricing Letter as though they were set out in full in this Pricing Letter.

#### 2. Supplemental to Note Issuance Facility Deed

This Pricing Letter forms part of, and is, once executed, incorporated into the terms of the Note Issuance Facility Deed.

#### 3. Margin

The margin in respect of the Note issued to the Note Purchaser shall be: [●] per cent. per annum.

#### 4. Governing Law

This Pricing Letter is governed by, and construed in accordance with, English law.

If you agree to the above, please sign where indicated below.

Your faithfully,

For

**Note Purchaser**

**FORM OF ACKNOWLEDGEMENT**

We agree to the above.

For

Viaduct (No.7) Limited

## SCHEDULE 5

### Form of Pricing Supplement

**THIS PRICING SUPPLEMENT** is dated [●] **BETWEEN:**

1. **VIADUCT (NO.7) LIMITED** (registered number 6275077) (the “**SPE**”); and  
**[RESIDENTIAL CAPITAL, LLC** (the “**Note Purchaser**”)]

**IT IS AGREED** as follows:

1. **Interpretation**

- 1.1 **Definitions**

In this Pricing Supplement:

“**Note Issuance Facility Deed**” means the note issuance facility deed for notes with a discounted value aggregating initially to £[●] dated [●] 2008 as amended between, among others, the SPE and the Note Purchaser.

“**Master Definitions Schedule**” means a master definitions schedule executed by, *inter alios*, the SPE and the Note Purchaser, on [●] 2008 (as it may be amended, varied or supplemented from time to time with the consent of the parties to it).

- 1.2 **Construction**

- (a) Capitalised terms and expressions defined in the Master Definitions Schedule and Note Issuance Facility Deed have, unless expressly defined in this Pricing Supplement, the same meanings and expressions in this Pricing Supplement.
    - (b) The provisions of Clause 2 (*Interpretation*) of the Master Definitions Schedule apply to this Pricing Supplement as though they were set out in full in this Pricing Supplement.

2. **Supplemental to Note Issuance Facility Deed**

This Pricing Supplement forms part of, and is, once executed, incorporated into the terms of the Note Issuance Facility Deed.

3. **TERMS OF NOTE**

The Face Value in respect of the Note to be issued to the Note Purchaser by the SPE on ● (the “**Issue Date**”) shall be £[●]. The Subscription Price shall be £[●]. The Discount shall be £[●]. The Funding Costs shall be [●]. The Redemption Date shall be [●].

4. **Governing Law**

This Pricing Supplement is governed by, and construed in accordance with, English law.

This Pricing Supplement has been entered into on the date stated at the beginning of this Pricing Supplement.

## **SIGNATORIES**

Viaduct (No.7) Limited

By:

[Note Purchaser]

By:

**SCHEDULE 6**

**Form of Note Certificate**

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 OR OTHER JURISDICTION, AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO REGISTRATION UNDER OR IN A TRANSACTION EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

SERIAL NO.

**Viaduct (No.7) Limited**

*(incorporated with limited liability in England; registered no. 6275077)*  
(the “**SPE**”)

£●

Secured Zero Coupon Discount Note due [●] (the “**Redemption Date**”)

This secured zero coupon discount note (the “**Note**”) is issued by the SPE and is constituted by the Note Issuance Facility Deed (the “**Note Issuance Facility Deed**”) dated on or about 2 June 2008 and made between the SPE, the Note Purchaser and the Security Trustee. This Note is issued subject to, and with the benefit of, the attached terms and conditions (the “**Conditions**”) set forth in Schedule 7 (*Terms and Conditions of the Note*) to the Note Issuance Facility Deed, which are incorporated by reference herein. Terms used herein have the respective meanings specified in the Conditions.

THIS IS TO CERTIFY that \_\_\_\_\_ is the registered holder (the “**Noteholder**”) of this Note, the face value of which is £[FIGURES] ([WORDS] pounds sterling) (the “**Face Value**”).

For value received, the SPE, subject to and in accordance with the Conditions, promises to pay to the registered holder of this Note on the Redemption Date the Face Value in the manner specified in the Conditions.

This Note is in registered form and is not transferable in part.

**AS WITNESS** the signature of a duly authorised attorney of [GMAC-RFC on behalf of the SPE]/[the SPE].

**GMAC-RFC Limited**

By:

.....

Authorised Attorney

.....

In the presence of

**ISSUED** as [*of Note Issue Date*]

## SCHEDULE 7

### Terms and Conditions of the Note

*The following is the text of the terms and conditions of the Notes which (subject to completion and amendment) will be incorporated by reference into each Note Certificate.*

The secured zero coupon discount note (the “**Note**”) of Viaduct (No.7) Limited (the “**SPE**”) is constituted by the Note Issuance Facility Deed (the “**Note Issuance Facility Deed**”) dated on or about 2 June 2008 and made between the SPE, the Note Purchaser and the Security Trustee. These terms and conditions (the “**Conditions**”) are, in certain provisions, summaries of the Note Issuance Facility Deed and subject to its detailed terms and, in the event of any inconsistency between the Conditions and the Note Issuance Facility Deed, the terms of the Note Issuance Facility Deed shall prevail. The Noteholder (as defined below) is bound by, and are deemed to have notice of, all the provisions of the Note Issuance Facility Deed applicable to it.

The obligations of the SPE under the Note are secured in favour of the Security Trustee for the benefit of itself and the registered holder of this Note pursuant to the terms of a deed of charge and assignment (the “**Deed of Charge**”) dated on or about 2 June 2008, and made between, *inter alios*, the SPE and the Security Trustee.

Unless otherwise defined herein, terms and expressions used herein have the meanings ascribed to them in the Note Issuance Facility Deed and the Master Definitions Schedule executed by, *inter alios*, each of the parties to the Note Issuance Facility Deed on or about 2 June 2008 (as it may be amended, varied or supplemented from time to time with the consent of the parties to it).

#### 1. **FORM, DENOMINATION AND TITLE**

- 1.1 The Note is issued in registered form.
- 1.2 The Seller 1 Administrator (in such capacity, the “**Registrar**”) will cause to be kept a register (the “**Register**”) on which shall be entered the name and address of the holder of the Note and the particulars of the Note held by it.
- 1.3 Title to the Note will pass by and upon registration of transfers in the Register. In these Conditions the “**holder**” of the Note means the person in whose name the Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly. A certificate (each a “**Note Certificate**”) will be issued to the Noteholder in respect of its registered holding save that the SPE shall only be required to procure the issue and delivery to a holder of the Note Certificate in respect of the Note on the date which falls five Business Days after receipt of written notice from the Note Purchasers or, as the case may be, the Security Trustee delivered to the SPE requesting issue and delivery of a Note Certificate. Registration of ownership of the Note shall be conclusive evidence (in the absence of manifest error) of absolute ownership of the Note.

#### 2. **TRANSFERS OF THE NOTE**

##### 2.1 **Transfers**

Subject to Condition 2.4 below, the Note may be transferred in whole (but not in part) upon surrender of the Note Certificate at the specified office of the Registrar, with the form of transfer endorsed on the Note Certificate duly completed and signed by or on behalf of the transferor and the SPE and together with such evidence as the Registrar may reasonably require to prove:

- (a) the title of the transferor;
- (b) the authority of the individuals who have executed the form of transfer; and
- (c) the payment of any stamp duty payable on such transfer,

provided that the Note may not be transferred to any person if such transfer would result in an increased payment pursuant to Clause 9.1 (*Tax gross-up*) or Clause 14.2 (*Increased Costs*) of the Note Issuance Facility Deed.

## 2.2 **Registration and delivery of the Note Certificate**

Within two Business Days of the surrender of the Note Certificate in accordance with Condition 2.1 above (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), the Registrar will register the transfer in question and deliver at the Registrar's specified office a new Note Certificate with the same Face Value as the Note Certificate being transferred to the transferee or (at the request, cost and risk of the transferee) send by uninsured first class mail to such address as the transferee may specify for the purpose.

In these Conditions "**Business Day**" shall be construed as a reference to a day (other than a Saturday or a Sunday) on which banks are generally open for business in London.

## 2.3 **No Charge**

The Noteholder will not be required to bear the costs and expenses of effecting any registration of transfer or any exchange as provided above, except for any costs or expenses of delivery other than by regular mail.

## 2.4 **Closed Periods**

The Noteholder may not require transfers to be registered during the period of five Business Days ending on the due date for any payment in respect of any Note.

## 2.5 **Initial Registrar**

The name of the initial Registrar and its initial specified office are set out at the end of these Conditions. The SPE reserves the right at any time with the consent of the Security Trustee to vary or terminate the appointment of the Registrar and to appoint another Registrar. Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholder promptly by the SPE in accordance with Condition 13 (*Notices*).

## 2.6 **Legend**

The Note will bear a legend substantially 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 OR OTHER JURISDICTION, AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO REGISTRATION UNDER OR IN A TRANSACTION EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT."



## 2.7 **Security Interest**

The Parties acknowledge that the Note Purchaser will grant a Security Interest in certain of its assets (including the Note and the Security) to the U.S. Collateral Agents pursuant to the US Security Documents. Upon notice from any of the U.S. Collateral Agents to the Parties to the effect that the Security Interests constituted by any of the U.S. Security Documents have become enforceable, the relevant U.S. Collateral Agent(s) shall be entitled to exercise the rights and remedies of the Note Purchaser under the Note Issuance Facility Deed and the Deed of Charge and in respect of the Note and the Security held by the Note Purchaser.

## 3. **STATUS**

### 3.1 **Status of the Notes**

The Note constitutes direct, secured (as more particularly described in the Deed of Charge) and unconditional obligations of the SPE.

## 4. **SECURITY**

- (a) The payment of amounts by the SPE under or pursuant to the Note is secured by fixed and floating security over certain assets and undertakings of the SPE made in favour of the Security Trustee pursuant to the provisions of the Deed of Charge.
- (b) The Parties acknowledge that, upon notice from the Security Trustee to the Parties to the effect that the Security Interests constituted by the Deed of Charge have become enforceable, the Security Trustee shall be entitled to exercise the rights and remedies of the SPE under the Note Issuance Facility Deed.

## 5. **NO INTEREST**

The Note does not bear interest, provided that if the SPE does not pay in full all amounts due in respect of the Note, interest will accrue from the Redemption Date of the Note on the Face Value thereof (or unpaid part thereof) at the rate per annum equal to LIBOR plus 2 per cent., as recalculated on each subsequent Determination Date (after as well as before judgment or decree) until payment in full has been made.

## 6. **REDEMPTION AND PURCHASE**

### 6.1 **Final redemption**

Unless previously redeemed from Available Funds pursuant to Clause 5.8 (*Distribution of Available Funds*) of the Administration Agreement or rolled over pursuant to Clause 8 (*Roll-over of the Note*) of the Note Issuance Facility Deed, the Note will be redeemed at the Face Value on the Redemption Date, subject to and in accordance with Conditions 7.2 (*Priority of Payments Prior to Enforcement*) and 7.3 (*Priority of Payments Post Enforcement*) and Clause 7 (*Redemption, Cancellation and Extension*) of the Note Issuance Facility Deed.

### 6.2 **Mandatory redemption**

Subject to Conditions 7.2 (*Priority of Payments Prior to Enforcement*) and 7.3 (*Priority of Payments Post Enforcement*), the SPE will be required to redeem the Note due to (a) illegality as set forth in Clause 7.1 (*Mandatory redemption – illegality*) of the Note Issuance Facility Deed or (b) repurchase of the Loans and their Related Security as set forth in Clause 7.2 (*Mandatory redemption – Repurchase of Loans and disposals*).

### 6.3 **Optional redemption for taxation reasons**

If the SPE is satisfied immediately prior to the giving of the notice referred to below that on the next date on which the SPE is to make any payment in respect of the Note to the Noteholder, the SPE would be required to make a Tax Deduction from such payment then the SPE may, subject to Conditions 7.2 (*Priority of Payments Prior to Enforcement*) and 7.3 (*Priority of Payments Post Enforcement*), having given not less than 3 Business Days' notice to the Security Trustee and the Noteholder in accordance with Condition 13 (*Notices*), and subject to satisfying the Security Trustee that it will have the funds available to do so, redeem all (but not some only) of the Note at its Amortised Face Value.

### 6.4 **Voluntary redemption**

Subject to Conditions 7.2 (*Priority of Payments Prior to Enforcement*) and 7.3 (*Priority of Payments Post Enforcement*):

- (a) the SPE may, by giving not less than 3 Business Days' prior notice to the Noteholder, redeem the Note at its Amortized Face Value at any time in whole or in part; and
- (b) on any date on which a voluntary redemption is to be made, the aggregate principal amount of Note to be redeemed on such date must be in a minimum amount of £10,000,000.

### 6.5 **Purchase**

The SPE may not purchase the Note.

### 6.6 **Cancellation**

The Note redeemed in full by the SPE pursuant to this Condition 6 shall be cancelled forthwith and may not be reissued or resold.

### 6.7 **Other redemption**

The SPE may not redeem the Note, except in accordance with the provisions of this Condition 6, but without prejudice to Condition 8 (*Events of Default*).

### 6.8 **Break Costs**

If the Noteholder receives or recovers all or any part of the Face Value prior to the Redemption Date (a "**Prepayment**"), the SPE shall pay to the Noteholder on demand a sum equal to the amount (if any) by which (a) the difference between the Face Value and the Amortized Face Value exceeds (b) the amount of interest which in the reasonable opinion of the Noteholder it would receive on the Redemption Date in respect of a deposit in sterling equal to the amount of the Prepayment at a prime bank in the interbank market for a period starting on the third Business Day following the date of such Prepayment and ending on the Redemption Date.

## 7. **PAYMENTS**

### 7.1 **Payments – General**

- (a) Subject to Conditions 7.2 and 7.3 and unless rolled over in accordance with Clause 8 (*Roll-over of the Note*) of the Note Issuance Facility Deed, payments in respect of the Note (other than any Net Cash Proceeds) will be made on the relevant Redemption

Date to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the date (the “**Record Date**”) being the fifth Business Day before the relevant Redemption Date at its address shown on the Register on the Record Date. The payment shall be made by transfer on such Redemption Date:

- (i) if the holder is the Note Purchaser, to the relevant account or accounts specified in Section 4.01 or Section 4.03 of the U.S. Senior Loan Agreement for the receipt of Collections (as defined in the U.S. Senior Loan Agreement) or such account or accounts specified by the Collection Control Agent (as defined in the Intercreditor Agreement) from time to time in accordance with the Intercreditor Agreement; and
  - (ii) in the case of any other holder, to such account maintained by the payee with a bank as has previously been notified to the specified office of the Registrar before the due date for payment.
- (b) Any Net Cash Proceeds shall be paid into the Blocked Account and shall be deemed to have redeemed the Note by a corresponding amount upon such payment.
  - (c) Payments in respect of the Note are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.
  - (d) If the relevant Redemption Date is not a Business Day, payments in respect of the Note shall be postponed to the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

## 7.2 **Priority of Payments Prior to Enforcement**

Subject to Clause 3 (*Limited recourse: no liability and no petition*) of the Master Definitions Schedule, prior to enforcement of the Security, the SPE is required to apply the Available Funds pursuant to, in accordance with, and as set out in Clause 5.8 (*Distribution of Available Funds*) of the Administration Agreement.

## 7.3 **Priority of Payments Post Enforcement**

After the Security Trustee has issued an Enforcement Notice to the SPE pursuant to Condition 8.3 (*Effect of an Event of Default*) declaring the face value of the Note to be immediately due and payable, the Security Trustee shall, to the extent that such funds are available, use funds standing to the credit of the Bank Accounts to make payments in the order of priority pursuant to, in accordance with and as set out in Clause 7.3 of the Deed of Charge.

## 7.4 **Redenomination**

With effect from the Redenomination Date:

- (a) the Note shall be deemed to be redenominated into such amount of euro as is equivalent to its denomination in sterling converted into euro at the rate for the conversion of the sterling into euro established by the Council of European Union pursuant to Article 1091(4) of the Treaty establishing the European Communities, as amended by the Treaty on European Union (the “**Treaty**”) (including compliance with rules relating to rounding in accordance with European Community regulations);

- (b) all payments in respect of the Note, other than payments in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to Sterling were to euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) as specified by the payee;
- (c) the SPE may elect that the Note shall be exchangeable for a new Note expressed to be denominated in euro in accordance with such arrangements as the SPE may decide, with the prior approval of the Security Trustee, and as may be specified in a notice to the Noteholder given in accordance with Condition 13 (*Notices*);
- (d) such other changes will be made to the terms and conditions of the Note as the SPE may decide, with the prior written approval of the Security Trustee, to conform the Note to conventions then applicable to instruments denominated in euro. Any such other change will not take effect until after they have been notified to the Noteholder in accordance with Condition 13 (*Notices*).

None of the SPE, the Security Trustee or the Registrar will be liable to the Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of euro or any currency conversion or rounding effected in connection therewith.

Definitions:

As used in this Condition 7.4:

“**euro**” means the currency introduced at the start of the third stage of economic and monetary union pursuant to the Treaty; and

“**Redenomination Date**” means the date upon which obligations denominated in sterling, are converted into obligations denominated in euro by mandatory provisions of applicable law.

## 8. EVENTS OF DEFAULT

### 8.1 Any of the following events shall constitute an Event of Default:

#### (a) Non-payment

Any of the SPE, Seller 1, Seller 2, Seller 1 Administrator or Seller 2 Administrator does not pay on the due date any amount payable by it under the Transaction Documents, unless the non-payment:

- (i) is caused by technical or administrative error; and
- (ii) is remedied within five Business Days of the due date.

#### (b) Breach of other obligations

- (i) The SPE does not comply in any respect with any term of Clause 12.5 (*Negative pledge*), 12.7 (*Borrowings*) or 12.8 (*Merger*) of the Note Issuance Facility Deed;
- (ii) Seller 1 and/or Seller 2 does not comply in any respect with its obligation to repurchase any of the Loans under the Loan Sale and Purchase Agreement; or

(iii) The SPE, Seller 1, Seller 2, Seller 1 Administrator or Seller 2 Administrator does not comply in any material respect with any other term of the Transaction Documents not already referred to in this Condition 8.1, unless the non-compliance:

(A) is capable of remedy; and

(B) is remedied within 20 days of the Noteholder giving notice of the non-compliance.

**(c) Misrepresentation**

A representation or statement made or repeated by the SPE, Seller 1, Seller 2, Seller 1 Administrator or Seller 2 Administrator in any Transaction Document or in any document delivered by or on behalf of the SPE, Seller 1, Seller 2, Seller 1 Administrator or Seller 2 Administrator under any Transaction Document is incorrect in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation:

(i) are capable of remedy; and

(ii) are remedied within 20 days of the Noteholder giving notice of the misrepresentation.

**(d) Insolvency**

Any of the following occurs in respect of the SPE and/or Seller 1 and/or Seller 2:

(i) it is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or insolvent;

(ii) it admits its inability to pay its debts as they fall due;

(iii) it suspends making payments on any of its debts or announces an intention to do so;

(iv) (with respect to the SPE only) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling of any of its indebtedness; or

(v) a moratorium is declared in respect of any of its indebtedness.

**(e) Insolvency proceedings**

Except as provided below, any of the following occurs in respect of the SPE and/or Seller 1 and/or Seller 2:

(i) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors;

(ii) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up administration or dissolution or any such resolution is passed;

(iii) any person presents a petition, or files documents with a court or any registrar for, for its winding-up, administration or dissolution;

(iv) an order for its winding-up, administration or dissolution is made;

- (v) any liquidator, provisional liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, voluntary arrangement supervisor or similar officer is appointed in respect of it or any or all of its assets, revenue, property or undertakings;
- (vi) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, provisional liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, voluntary arrangement supervisor or similar officer;
- (vii) any person takes possession of the whole or any part of its assets, property, revenue or undertakings; or
- (viii) any other analogous step or procedure is taken in any jurisdiction.

Paragraph (iii) does not apply to a petition for winding-up presented by a creditor which is being contested in good faith and with due diligence and is discharged or struck out within 21 days.

**(f) Creditors' process**

Any attachment, sequestration, distress, execution or analogous event affects any asset(s) of the SPE and/or Seller 1 and/or Seller 2, having an aggregate value of at least £3 million, and is not discharged within 21 days.

**(g) Effectiveness of Transaction Documents**

It is or becomes unlawful for the SPE, Seller 2 Administrator to perform any of its obligations under the Transaction Documents.

**(h) Administrator Termination Event**

An Administrator Termination Event occurs and a substitute administrator acceptable to the Security Trustee and the Noteholder is not appointed within 60 days.

**(i) Litigation**

- (i) Material litigation (including, without limitation, any derivative actions), arbitration proceedings or governmental proceedings not disclosed prior to the closing date is pending against Seller 1 and/or Seller 2 or the SPE; and
- (ii) Any material development not so disclosed has occurred in any litigation (including, without limitation, derivative actions), arbitration proceedings or governmental proceedings so disclosed,

which, in the case of (i) or (ii), has a reasonable likelihood of causing a Material Adverse Effect.

**(j) Repudiation**

The SPE, Seller 1, Seller 2, Seller 1 Administrator or Seller 2 Administrator repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document.

**(k) Assurance Event**

An Assurance Event occurs under the Loan Sale and Purchase Agreement other than Clause 6.1(a) thereof.

**(l) Bonds**

An Event of Default (as defined in any indenture relating to the Bonds) occurs in respect of the Bonds.

**(m) US Senior Loan Agreement**

An Event of Default (as defined in the U.S. Senior Loan Agreement) occurs under the US Senior Loan Agreement.

**8.2 Covenant of SPE**

So long as any amount remains outstanding under the Note, the SPE and/or Seller 1 and/or Seller 2 will promptly (and in any event within one Business Day) upon becoming aware of any Default give notice in writing thereof to the Note Purchaser together with details of the steps the SPE and/or Seller 1 and/or Seller 2 is taking or proposing to take to remedy such Default.

**8.3 Effect of an Event of Default**

On the occurrence of an Event of Default then, in any such case and at any time thereafter, the Noteholder may request the Security Trustee to issue a written notice to the SPE, (an “**Enforcement Notice**”) on behalf of the Noteholder. Upon receipt of such request, having regard to the provision of Clause 11.6 of the Deed of Charge the Security Trustee shall issue the Enforcement Notice on the SPE which shall, upon receipt of such Enforcement Notice, declare the Amortised Face Value of the Note to be immediately due and payable (whereupon the same shall become so payable together with any other sums then owed by the SPE hereunder).

**9. ENFORCEMENT**

At any time after the service of an Enforcement Notice and without prejudice to its rights of enforcement in relation to the Charged Property, the Security Trustee may, at its discretion and without further notice, pursuant to the Deed of Charge, but subject to Clause 3 (*Limited Recourse: no liability and no petition; limited recourse*) of the Master Definitions Schedule, take such proceedings against the SPE as it may think fit to enforce payment in respect of the Note, but it shall not be bound to take any such proceedings unless it shall have been indemnified to its satisfaction.

**10. PRESCRIPTION**

The Note will become void unless presented for payment within a period of 10 years following the relevant Redemption Date.

**11. REGISTRAR**

The Registrar will act solely as agent of the SPE and will not otherwise assume any obligation or duty or relationship of agency or trust to or with the Noteholder unless an Event of Default has occurred, when it will act as agent of the Security Trustee. Such agreement may be

amended by the parties thereto with the prior written approval of the Security Trustee subject to its obtaining the consent of the Noteholder.

12. **REPLACEMENT OF NOTE CERTIFICATE**

If the Note Certificate is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Registrar on payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, indemnity and security as the SPE may reasonably require. The mutilated or defaced Note Certificate must be surrendered before replacements will be issued.

13. **NOTICES**

13.1 All notices to the Noteholder must be in writing and may be given in person, by post, facsimile or e-mail to the holders (or to the first named of joint holders) of the Note at the addresses or facsimile numbers shown on the Register or at any other addresses or facsimile numbers they may notify to the Registrar. An electronic communication will be treated as being in writing.

13.2 Except as provided by Clause 13.3, any notice will be deemed to be given as follows:

- (a) if delivered in person at the time of delivery;
- (b) if posted, five Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
- (c) if by fax, e-mail or other electronic communication when received in legible form.

13.3 A notice given under Clause 13.2(a) but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

14. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person (other than the Noteholder, the Security Trustee and the U.S. Collateral Agent(s) (in accordance with Condition 2.7)) shall have any right to enforce any term or condition of these Notes under the Contracts (Rights of Third Parties) Act 1999.

15. **GOVERNING LAW AND JURISDICTION**

15.1 The Note is governed by and shall be construed in accordance with English law.

15.2 The courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Note.

16. **REGISTRAR**

GMAC-RFC LIMITED, as Seller 1 Administrator  
Eastern Gate, Brants Bridge, Bracknell, Berkshire RG12 9B7



## SCHEDULE 8

### Form of Increase Notice

From: Viaduct (No.7) Limited

To: Noteholder

cc: Security Trustee

Dear Sirs

1. We refer to the note issuance facility deed (the “**Note Issuance Facility Deed**”) dated [●] 2008 and made between the SPE, Residential Capital, LLC and the Security Trustee. Terms defined in, or incorporated by reference into, the Note Issuance Facility Deed shall have the same meanings herein as therein.
2. We hereby give you notice, pursuant to Clause 2.2(c) of the Note Issuance Facility Deed, that we wish you to agree to increase the Facility as follows, subject to the terms and conditions of the Note Issuance Facility Deed and the other Transaction Documents.:

*[Information to be specified for each denomination in which the issue of a Note is requested]*

- |     |  |                           |
|-----|--|---------------------------|
| (a) | Amount to which the Facility is increased: | £[●]                      |
| (b) | Duration of Increase                       | From [●] to [●] inclusive |
| (c) | Response Time:                             | [●]                       |

We hereby request that you inform us by the Response Time (as defined in Clause 2.2 of the Note Issuance Facility Deed) as to whether you are willing to increase the Facility.

This Increase Notice is governed by, and construed in accordance with, English Law.

Yours faithfully

Director  
for and on behalf of

## SCHEDULE 9

### Form of Power of Attorney

This Power of Attorney is made on [       ]

By:

- (1) **VIADUCT (NO.7) LIMITED** (registered number 6275077) whose registered office is at 35 Great St. Helen's, London EC3A 6AP (the "SPE");

In favour of

- (2) **RESIDENTIAL CAPITAL, LLC** a Corporation incorporated in Delaware whose registered office is at One Meridian Crossings, Minneapolis, Minnesota 55423, United States of America (the "Note Purchaser"); and
- (3) **WELLS FRAGO BANK, N.A.** in its capacity as collateral agent for the US Lender Parties (together with its successor and assigns, the "U.S. Collateral Agent").

#### WHEREAS:

- (A) By the Note Issuance Facility, the Note Purchaser has granted a discount note issuance facility to the SPE, pursuant to which the Note Purchaser may subscribe for the Initial Note.
- (B) At the request of the Note Purchaser and the U.S. Collateral Agent, the SPE has agreed to enter into these presents for the purposes hereinafter appearing.
- (C) The expressions defined in the master definitions schedule ("**Master Definitions Schedule**") dated on or about 2 June 2008 and as signed by, *inter alios*, the Note Purchaser and the SPE, shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein (including these recitals).

**NOW THIS DEED WITNESSES** that for good and valuable consideration and as security for the interests of the SPE hereunder, the SPE hereby appoints the Note Purchaser and the U.S. Collateral Agent severally to be its true and lawful attorney (with power to sub-delegate) and to be its agent and in its name to issue as and execute a Note Certificate in the form attached as Appendix to this Power of Attorney at any time instructed in writing by the SPE to do so.

To the extent permitted by applicable law, the SPE waives all claims, damages and demands it may acquire against the U.S. Collateral Agent arising out of the exercise by the U.S. Collateral Agent of any rights hereunder.

The SPE agrees to indemnify, defend and hold the U.S. Collateral Agent and its officers, directors, employees, shareholders, agents and representatives (collectively, the "**Indemnified Persons**") harmless from and against any and all claims, liabilities, obligations, losses, damages, penalties, causes of action, demands, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including, without limitation, reasonable attorney's fees and expenses, that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising directly or indirectly out of this Power of Attorney or any action taken or not taken by it or them hereunder or otherwise incurred in connection with the transactions contemplated hereby, except to the extent arising out of or in connection with any Indemnified Person's gross negligence, bad faith or willful misconduct.

All indemnities to be paid under this Power of Attorney shall be payable immediately when due in U.S. dollars (“**Dollars**”) in the full amount due, without deduction for any variation in any Rate of Exchange (as defined below). The SPE hereby agree to indemnify the U.S. Collateral Agent against any losses, damages, penalties, costs, expenses or disbursements of any kind or nature whatsoever, including, without limitation, attorney’s fees and expenses, incurred by the U.S. Collateral Agent as a result of any judgment or order being given or made for the amount due hereunder and such judgment or order being expressed and paid in a currency (the “**Judgment Currency**”) other than Dollars and as a result of any variation as between (i) the rate of exchange at which the dollar amount is converted into Judgment Currency for the purpose of such judgment or order, and (ii) the Rate of Exchange at which the U.S. Collateral Agent is then able to purchase Dollars with the amount of the Judgment Currency actually received by the U.S. Collateral Agent. The indemnity set forth in this paragraph shall constitute a separate and independent obligation of the SPE and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term “**Rate of Exchange**” means the rate at which the U.S. Collateral Agent is able to purchase Dollars with the Judgment Currency on the foreign exchange market on the relevant date and shall include any premiums and other reasonable costs of exchange payable in connection with the purchase or, or conversion into, the relevant currency. The indemnification set forth in this Power of Attorney shall survive the termination or assignment of this Power of Attorney and the resignation or removal of the U.S. Collateral Agent.

The U.S. Collateral Agent shall be afforded the same rights, protections, immunities and indemnities afforded to it in its capacity as Collateral Control Agent under the Intercreditor Agreement as if the same had been specifically set forth herein.

AND the SPE hereby agrees at all times hereafter to ratify and confirm whatsoever any act matter or deed any attorney or substitute shall lawfully do or cause to be done under or concerning these presents.

AND the SPE hereby declares that these presents having been given for security purposes and to secure a continuing obligation, the powers hereby created shall be irrevocable.

AND this deed shall be governed by, and construed in accordance with, the law of the state of New York.

**IN WITNESS WHEREOF** the SPE has caused this Power of Attorney to be executed and delivered as a Deed on the day and year first before written.

**SIGNED AS A DEED** by SFM Directors                    )  
Limited, Director, and SFM Directors (No. 2)        )  
Limited, Director    )

**THE APPENDIX**  
**Form of Note Certificate**

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 OR OTHER JURISDICTION, AND ACCORDINGLY MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO REGISTRATION UNDER OR IN A TRANSACTION EXEMPT FROM OR NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

SERIAL NO.

**Viaduct (No.7) Limited**

*(incorporated with limited liability in England; registered no. 6275077)*  
(the “**SPE**”)

£●

Secured Zero Coupon Discount Note due [●] (the “**Redemption Date**”)

This secured zero coupon discount note (the “**Note**”) is issued by the SPE and is constituted by the Note Issuance Facility Deed (the “**Note Issuance Facility Deed**”) dated on or about 2 June 2008 and made between the SPE, the Note Purchaser and the Security Trustee. This Note is issued subject to, and with the benefit of, the attached terms and conditions (the “**Conditions**”) set forth in Schedule 7 (*Terms and Conditions of the Note*) to the Note Issuance Facility Deed, which are incorporated by reference herein. Terms used herein have the respective meanings specified in the Conditions.

THIS IS TO CERTIFY that \_\_\_\_\_ is the registered holder (the “**Noteholder**”) of this Note, the face value of which is £[FIGURES] ([WORDS] pounds sterling) (the “**Face Value**”).

For value received, the SPE, subject to and in accordance with the Conditions, promises to pay to the registered holder of this Note on the Redemption Date the Face Value in the manner specified in the Conditions.

This Note is in registered form and is not transferable in part.

**AS WITNESS** the signature of a duly appointed attorney on behalf of the SPE.

[WELLS FARGO BANK, N.A.,  
as Collateral Agent

By: \_\_\_\_\_

Name:

Title:]

[**RESIDENTIAL CAPITAL, LLC**

**EXECUTED** by )  
 )  
 [●] )  
 who, in accordance with the laws of the territory in )  
 which **RESIDENTIAL CAPITAL LLC** )  
 is incorporated, is acting under the authority of )  
 **RESIDENTIAL CAPITAL, LLC** )]

**ISSUED** as [*of Note Issue Date*]

**SIGNATORIES**

**SPE**

**VIADUCT (NO.7) LIMITED**

**SIGNED** as a **DEED** by SFM Directors )  
Limited, Director, and SFM Directors )  
(No. 2) Limited, Director )

Two handwritten signatures in black ink. The top signature is a cursive name, possibly 'W. Casey III'. The bottom signature is a stylized, circular mark.

**Note Purchaser**

**RESIDENTIAL CAPITAL, LLC**

**EXECUTED** as a **DEED** by )  
 )  
William F. Casey III )  
who, in accordance with the laws of the territory in )  
which **RESIDENTIAL CAPITAL LLC** )  
is incorporated, is acting under the authority of )  
**RESIDENTIAL CAPITAL, LLC** )

**Security Trustee**

**THE COMMON SEAL** of  
**DEUTSCHE TRUSTEE COMPANY LIMITED**  
was affixed to this deed in the presence of:

Signature:

Name:

Title: Associate Director

Signature:

Name:

Title: Associate Director

**SIGNATORIES**

**SPE**

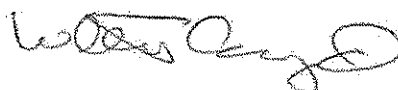
**VIADUCT (NO.7) LIMITED**

**SIGNED as a DEED by SFM Directors )  
Limited, Director, and SFM Directors )  
(No. 2) Limited, Director )**

**Note Purchaser**

**RESIDENTIAL CAPITAL, LLC**

**EXECUTED as a DEED by )  
William F. Casey III )  
who, in accordance with the laws of the territory in )  
which RESIDENTIAL CAPITAL LLC )  
is incorporated, is acting under the authority of )  
RESIDENTIAL CAPITAL, LLC )**



**Security Trustee**

**THE COMMON SEAL of  
DEUTSCHE TRUSTEE COMPANY LIMITED  
was affixed to this deed in the presence of:**

Signature:

Name:

Title: Associate Director

Signature:

Name:

Title: Associate Director

**SIGNATORIES**

**SPE**

**VIADUCT (NO.7) LIMITED**

**SIGNED as a DEED by SFM Directors )  
Limited, Director, and SFM Directors )  
(No. 2) Limited, Director )**

**Note Purchaser**

**RESIDENTIAL CAPITAL, LLC**

**EXECUTED as a DEED by )  
 )  
William F. Casey III )  
who, in accordance with the laws of the territory in )  
which RESIDENTIAL CAPITAL LLC )  
is incorporated, is acting under the authority of )  
RESIDENTIAL CAPITAL, LLC )**

**Security Trustee**

**THE COMMON SEAL of  
DEUTSCHE TRUSTEE COMPANY LIMITED  
was affixed to this deed in the presence of:**

Signature: 

Name: **Aileen Masterson**  
Title: Associate Director **Associate Director**

Signature:   
Name:  
Title: Associate Director

**Clive Rakestrow  
Associate Director**

